



F E D E R A L  
S T U D E N T A I D

*We Help Put America Through School*

accenture

*High performance. Delivered.*

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**Integration Partner Transition  
*FSA Organization & Integration  
Overview***

May 2004

# Agenda

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- **Core Goals & Objectives**
- **Organization Overview**
- **Integration Overview**
- **Governance**

# Agenda

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# Core Mission

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**FSA**  
F E D E R A L  
S T U D E N T A I D

*We Help Put America Through School*

- Provide financial assistance to eligible students enrolled in postsecondary educational institutions.
- Deliver grants, loans, and work-study assistance to nearly nine million students through approximately 6,000 postsecondary institutions, 4,800 lenders, and 35 guarantee organizations.
- Collect more than \$150 million in outstanding loans with data systems that track 93 million student loans and 15 million Pell Grants.

# Core Customers

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- Students, parents and borrowers participating in the Title IV Federal Aid programs
- Schools and institutions eligible to participate in Title IV Federal Aid programs
- Financial partners, lenders, servicers, and guaranty agencies

# FSA Strategic Objectives

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## Modernize & Integrate Systems

- Reconcile current business demands, economics and future business strategies with present state of legacy systems, technology and human resource skills

## Improve Program Integrity

- Strengthen financial management and internal controls
- Provide effective oversight
- Ensure the accuracy of all data
- Implement an integrated set of information systems

## Reduce Costs

- Ensure contracts are designed to enable cost reduction and re-engineered business processes
- Establish metrics to measure performance and productivity trends across the enterprise over time

## Improve Human Capital Management

- Ensure FSA has the right people in the right jobs with the right skill sets
- Create and foster an environment for collaborative problem solving and decision making

## Improve Products & Services

- Listen to the customer to understand and prioritize needs and/or desired products and solutions
- Inform business solutions by incorporating industry best practices

# Agenda

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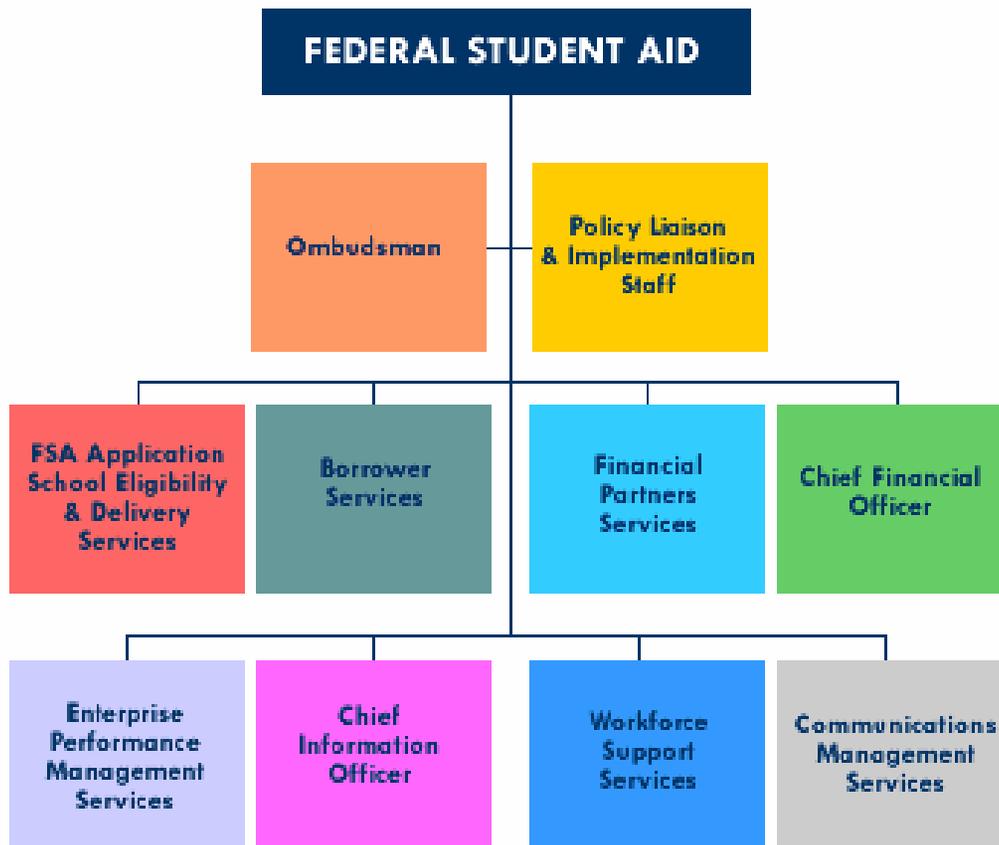
- Core Goals & Objectives

- **Organization Overview**

- Integration Overview

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# FSA Organization



- COO reports directly to Department of Education Deputy Secretary and Secretary
- Over 1200 employees with headquarters in Washington, DC and regional offices across the United States
- Performance Based Organization (PBO) enabling *corporate-like* structure
- COO, CFO, CIO and agency delivery organizations

# FSA Organization & Functions

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- The Office of the Chief Operating Officer has the primary responsibility to effectively manage Federal Student Aid (FSA) as a Performance-Based Organization (PBO) to help put America through school. The Chief Operating Officer (COO) is responsible for managing operations across channels and support functions to ensure that best in business performance is consistently delivered.
  - **Policy Liaison and Implementation Staff**
    - The Policy Liaison and Implementation Staff serves as the principal advisor to the COO on all FSA program policy issues and facilitates FSA's involvement in the development, implementation and dissemination of FSA program policy.
  - **Ombudsman**
    - The Ombudsman serves as a principal advisor to the COO by providing expert findings, advice, and recommendations on matters pertaining to FSA program development and operational effectiveness. To accomplish this mission, the Ombudsman:

# FSA Organization & Functions

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- **FSA Application, School Eligibility and Delivery Services**
  - FSA Application, School Eligibility and Delivery (ASED) is responsible for providing best in business service to aid recipients and schools. To accomplish this mission, the FSA Application, School Eligibility and Delivery Services has three principal components:
  - **Students Channel**
    - Within ASED, the Students Channel is responsible for providing best in business service to potential aid recipients, while ensuring that students and families understand their options to finance their education. To accomplish this mission, the Students Channel is divided into three Divisions:
      - **Student Aid Awareness Division**
      - **Application Processing Division**
      - **Customer Service Support and Call Center Division**
  - **School Delivery Channel**
    - The School Delivery Channel has primary responsibility for providing best in business service to schools, while maintaining strong oversight and comprehensive partner support. The School Delivery Channel is divided into the following Division:
      - **Title IV Delivery Division**
        - **Common Origination and Disbursement Operations Branch**
        - **Pell Operations Section**
        - **Direct Loan Operations Section**
        - **Common Origination and Disbursement Systems Branch**
        - **Common Origination & Disbursement Systems Development Section**
        - **Common Origination & Disbursement Systems Operations Section**
        - **Campus-Based Operations Branch**
        - **Postsecondary Education Participants Systems Branch**
        - **Customer Service Call Center Branch**
      - **School Relations Division**
  - **School Eligibility Channel**
    - The School Eligibility Channel is responsible for providing integrated oversight and management improvement services to institutions receiving student financial assistance program funds, in accordance with policies and procedures established by Performance Improvement and Procedures. To accomplish this mission, School Eligibility Channel performs its functions through the following organizations:
      - **Case Management Teams**
      - **Default Management Division**
      - **Data Management and Analysis Division**
      - **Performance Improvement and Procedures Division**
      - **Administrative Actions and Appeals Division**

# FSA Organization & Functions

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- **Borrower Services**
  - Borrower Services is responsible for providing best in business service to aid recipients by notifying them of repayment options, consolidating aid recipient loan, and controlling delinquent/defaulted accounts. To accomplish this mission, Borrower Services is divided into the following Groups:
    - **Servicing Group**
      - The Servicing Group is responsible for notifying Direct Loan borrowers of available repayment options, offering advice on repayment options that best suit a borrower, processing billing and repayment information, and monitoring repayment history and loan status.
    - **Collections Group**
      - The Collections Group is responsible for providing the Department of Education a means of controlling delinquent/defaulted accounts, including managing all transactions related to identifying defaulted loans, billing defaulted borrowers, and processing repayments of defaulted borrowers for those loans assigned to ED.
    - **Consolidations Group**
      - The Consolidations Group is responsible for managing the flow of information necessary to consolidate a borrower's separate loans and administering the receipt, processing, and certification of loan consolidation requests.
    - **Portfolio Risk Management Group**
      - The Portfolio Risk Management Group is responsible for supporting the management and performance evaluation of the FSA guaranteed and Direct Loan portfolios and identifying and analyzing risk exposure for all FSA loan programs and the Pell Grant program to ensure reduced loss through defaulted loans and/or overpayment of grants; more effective management of change; better service delivery; increased certainty and fewer surprises; more efficient use of resources; improved decision-making internal to ED, other federal, states, and local agencies and Congress; and a reduction in waste, fraud, and abuse.

# FSA Organization & Functions

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- Financial Partners Channel
  - Financial Partners Services (FPS) has primary responsibility for providing best in business service to lenders and guarantee agencies while maintaining strong oversight and providing comprehensive partner support. In addition, FPS maintains a network of effective and satisfied customers and guarantee agencies.
    - **Financial Analysis**
      - Financial Analysis is responsible for ensuring that lenders' and guarantee agencies payments are timely and accurate and for developing and implementing policies and procedures for the delivery of student loan program, namely the Federal Family Education Loan Program (FFELP). To accomplish this mission, Financial Analysis in coordination with FSA/CFO:
    - **State Agency Liaison**
      - State Agency Liaison is responsible for providing support and communications to state agencies to ensure a network of effective and satisfied state agency partners.
    - **Partner Services Group**
      - The Partner Services Group is responsible for identifying and analyzing major issues affecting lender and guarantor financial stability, and for the implementation of program and financial reviews of guarantor agencies and lenders on the proper administration and management of Title IV programs. Ensures compliant administration and management of FFEL programs through partnership with guarantee agencies, services, trustees, secondary markets, and financial institutions by providing support to, and participating with the Financial Partners regional offices in oversight functions, technical assistance, customer service and program evaluation.
    - **Partner Systems Group**
      - The Partner Systems Group is responsible for providing contract management-related activities to support the ongoing maintenance and operations of the Federal Family Education Loan System (FFEL).
    - **National Student Loan Data Systems (NSLDS) Group**
      - The NSLDS Group is responsible for designing, implementing and operating the National Student Loan Data System on behalf of FSA. In addition, responsible for performance engineering of NSLDS to provide the best service at the least cost accompanied with customer satisfaction in the products and services NSLDS delivers. The NSLDS Group is divided into two teams: Legacy Team and Re-engineering Team.
    - **Financial Partners Regions**
      - Financial Partners Regions is responsible for the implementation of program and financial reviews of guarantee agencies and FFELP lenders and related agencies or organizations. Provides technical assistance to these groups on the proper administration and management of the FFEL program. Identifies and analyzes major issues affecting lender and guarantor compliance with program requirements, and develops national priorities, goals, and guidelines for monitoring the programmatic stability of the Federal student loan guarantors.

# FSA Organization & Functions

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- **Chief Financial Officer**
  - The Chief Financial Officer (CFO) has primary responsibility to support the Performance Based Organization by serving as the financial advisor to the Chief Operating Officer. The CFO will, in partnership with the Department of Education's Office of the Chief Financial Officer (OCFO), develop and implement sound, value-added financial management policies, procedures, systems and program controls which will enable the organization to strengthen internal controls and provide Congress and other constituents both summary and detailed accounting on Federal Student Aid (FSA) grant, loan and operational activities.
    - **Financial Management Group**
      - The Financial Management Group (FMG) is responsible for supporting general ledger management, funds management, payment management, receipt management, and reporting.
        - **Financial Reporting Division**
        - **Financial Reporting and Analysis Branch**
      - **Audit Coordination and Validation Branch**
    - **Accounting Division**
      - The Accounting Division (AD) is responsible for providing accurate, complete, and timely financial information.
      - **Funds Control & Accounting Operations Branch**
      - **Reconciliation Branch**
    - **Asset Management Group**
      - The Asset Management Group (AMG) is responsible for supporting the management and performance of the FSA guaranteed and Direct Loan portfolios.
    - **Budget Group**
      - The Budget Group is responsible for managing the preparation of budget information during the budget formulation, justification and execution processes in collaboration with the Department of Education's Budget Service. The Budget Group also provides support to FSA areas in managing FSA's administrative funds and Title IV Program budgetary resources.
        - **Budget Support Division**
        - **FSA Administration Division**
    - **Financial Management Systems Group**
      - The Financial Management Systems Group (FMSG) is responsible for setting the framework in which all financial system functions operate, maintaining the system and ensuring its successful operation. Partners with Department of Education Financial Management Systems (ED OCFO) to ensure that both systems are synchronized with the same edits and general configurations are effective and comply with requirements. The FMS Group maintains and operates the flow of all financial data between the Program systems and the FMS.
        - Application Maintenance.

# FSA Organization & Functions

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- **Chief Information Officer**

- The Office of the Chief Information Officer has primary responsibility for promoting the effective use of technology to achieve FSA's strategic objectives through sound technology planning and investments, integrated technology architectures and standards, effective systems development and production support.

- **E-Commerce Application Development**

- E-Commerce Application Development is responsible for full life cycle development of mainframe and distributed applications for FSA, in support of the channels and functional areas.

- **Enterprise IT Management**

- Enterprise IT Management is responsible for providing enterprise-wide technology planning and oversight, development and maintenance of technology architecture, development and promulgation of technology standards, and providing the necessary processes and discipline to ensure that FSA is investing in and using information technology wisely.

- **Enterprise IT Services**

- Enterprise IT Services is responsible for planning, managing, operating, and maintaining FSA's technical infrastructure, including the Virtual Data Center, FSA's telecommunication infrastructure, and FSA web infrastructure.

- **IT Business Services**

- IT Business Services is responsible for providing the CIO organization with the necessary organizational management and program management capabilities to integrate the mission of the CIO with the mission of the entire FSA enterprise. IT Business Services performs the following major functions and activities:

- **IT Innovations**

- IT Innovations is responsible for providing a suite of online services and information to meet the specific needs and interests of the student financial aid community by using the technology of the internet and other electronic functions and processes to reduce costs, cycle time, and paperwork. IT Innovations identifies opportunities to develop innovative tools and services to improve customer service, reduce the overall cost of delivering student aid, and improve employee satisfaction. IT Innovations performs the following functions and activities:

# FSA Organization & Functions

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- **Enterprise Performance Management Services**
  - Enterprise Performance Management Services is responsible for providing best in business service for all systems integration, reengineering and replatforming projects; contract performance measures and measurement, performance plan monitoring; FSA performance against high risk management; internal review and audit resolution.
    - **GAO High Risk Management**
      - GAO High Risk Management is a functional area within the Immediate Office of Enterprise Performance Management Services
    - **Project Management-Oversight And Strategic Planning Group**
      - The Project Management-Oversight and Strategic Group is responsible for advising on systems integration strategy and annual strategic and tactical planning for FSA initiatives
    - **Acquisition Planning and Contract Management Group**
      - The Acquisition Planning and Contract Management Group (APCMG) is responsible for ensuring all FSA contracts support integration plans and FSA acquisition efforts are aligned to the organizational performance plan. APCMG will administer internal controls for the acquisition process. Working closely with ED's OCIO and OCFO, APCMG will manage acquisition activities involving multi-year and multi-dollar contracts.
    - **Operational Performance Analysis/Reporting and Internal Review Group**
      - The Operational Performance Analysis/Reporting and Internal Review Group provides strategic measurement initiatives and data in order to track program and organizational performance. Staff will leverage internal administrative assistance as well as a production team to focus efforts on strategic value-adding tasks and activities.

# FSA Organization & Functions

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- **Workforce Support Services**
  - **Workforce Support Services is responsible for coordinating all FSA personnel activity and record keeping; providing an internal emphasis on program skills development; maintaining building and facilities, safety and security processes.**
    - **Facilities Management is a functional area in the immediate office of the Director and is responsible for ensuring that FSA employees have the resources required to perform their jobs and achieve results.**
    - **FSA Human Resources Group**
      - **The FSA Human Resources Group is responsible for providing leadership for human resource programs for FSA Headquarters and Regional personnel in partnership with ED/Human Resource Services (HRS). These services are concentrated around human resource administration activities, recruiting and placement, FSA Intern Program, and employee and labor relations.**
    - **Human Resources Administration**
      - **Human Resources Administration is responsible for working with ED/HRS to administer general Human Resources services.**
      - **Recruiting and Placement**
        - **Recruiting and Placement works to attract and retain FSA personnel. Recruiting and Placement is responsible for expanding the advertisement of job openings, generating FSA-specific candidate pools, and supporting FSA business units in selection of staff. Recruiting and Placement also administers the appropriate process for employee assignments/ reassignments.**
      - **Employee and Labor Relations**
        - **Employee and Labor Relations is responsible for providing consultation and advice to FSA supervisors and managers regarding policies and procedures and for facilitating resolution of employee issues with Union representatives.**
      - **FSA Intern Program**
        - **The FSA Intern Program is responsible for providing gifted and highly motivated young Americans with some first-hand experience in the process of working at FSA, while potentially attracting these candidates future employment.**
    - **Staff Development and Training Group**
      - **The Staff Development and Training Group has primary responsibility for improving performance in FSA by developing learning materials and programs and locating vendor/contractor programs for staff and partners that align with FSA business objectives.**
        - **Communications**
        - **Finance**
        - **Learning Consulting**
    - **FSA Development Division**
      - **The FSA Development Division is responsible for coordinating the design, development, and delivery of high quality learning products to FSA. It will also focus on individual employee development. To accomplish this mission, they:**
    - **Support Services Division**
      - **The Support Services Division is responsible for providing support through best practice research, knowledge warehousing, vendor/contractor selection, and registration/logistics. They perform the following functions.**
      - **Best Practices**
      - **Knowledge Management Branch**
      - **Registration and Logistics Branch**

# FSA Organization & Functions

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- **Communications Management Services**
  - **Communications Management Services:**
    - Seeks to build and sustain FSA image and ensure consistency in communications. Communications Management Services has the primary responsibility for providing the best in business communication service to the public and the FSA organization.
  - **Internal Relations**
    - Internal Relations is focused on communications within FSA. It is responsible for employee communications and for providing communications support. Through a strategic partnership with FSA Services, Internal Relations manages all activities related to communications with FSA and ED staff including the management of Intranet content and development, management and implementation of internal communications strategies and plans.
  - **External Relations**
    - In coordination with the Department's Office of Public Affairs, External Relations is focused on the dissemination of information to the public. External Relations is responsible for using media tools to deliver information and messages. This area is the liaison between FSA and the Office of Public Affairs on media inquiries and manages responses to controlled correspondence. External Relations is also responsible for managing all local and national conferences held with the student financial assistance industry.
  - **Freedom of Information Act and Privacy Act**
    - In coordination with the ED Freedom of Information Act (FOIA) and Privacy Act Officer this team is responsible for coordinating the fulfillment of requests under FOIA and requests for information protected by the Privacy Act.

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# Integration Objectives

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**Integrated business processes and supporting systems that allow us to efficiently deliver the right funds to the right person at the right time while meeting our organizational objectives**



- Reengineer or enhance systems and functions
- Continuously align system investments with evolving business strategies
- Focus on data for improved decision making and program oversight

# Integration Outcomes – Business Drivers

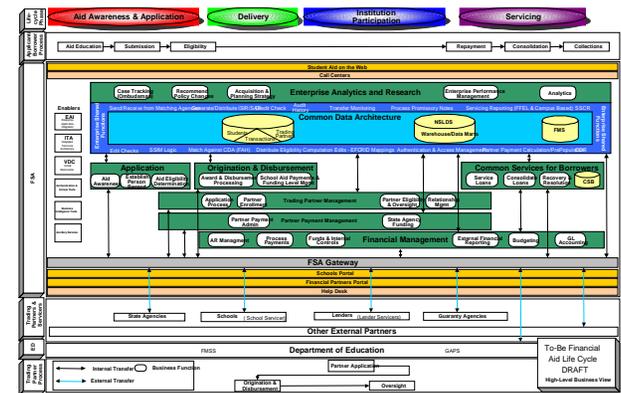
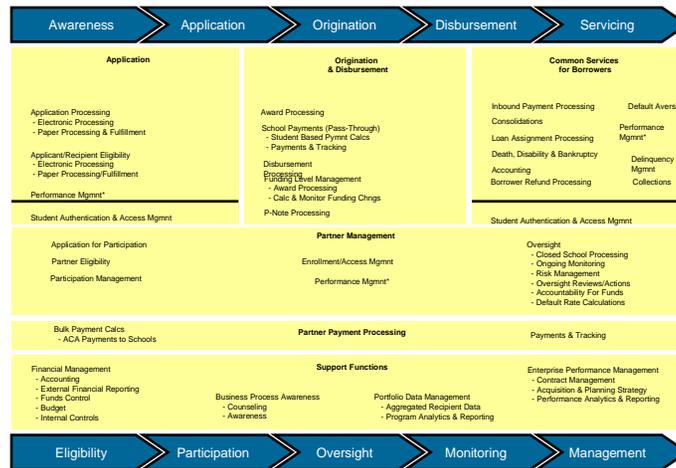
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- Timely delivery of Title IV funds
- Effective oversight
- Efficient operations

# Target State Vision

*A target state outlines the vision to achieve integration*

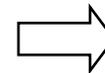
Find the Right Balance Between Efficient Delivery & Robust Oversight		
Business Process	Business Process	Business Process
Application Processing	Origination & Disbursement	Common Services for Borrowers
Partner Management	Partner Management	Partner Management
Financial Management	Financial Management	Financial Management
Support Functions	Support Functions	Support Functions



**FSA Integration Vision Framework**



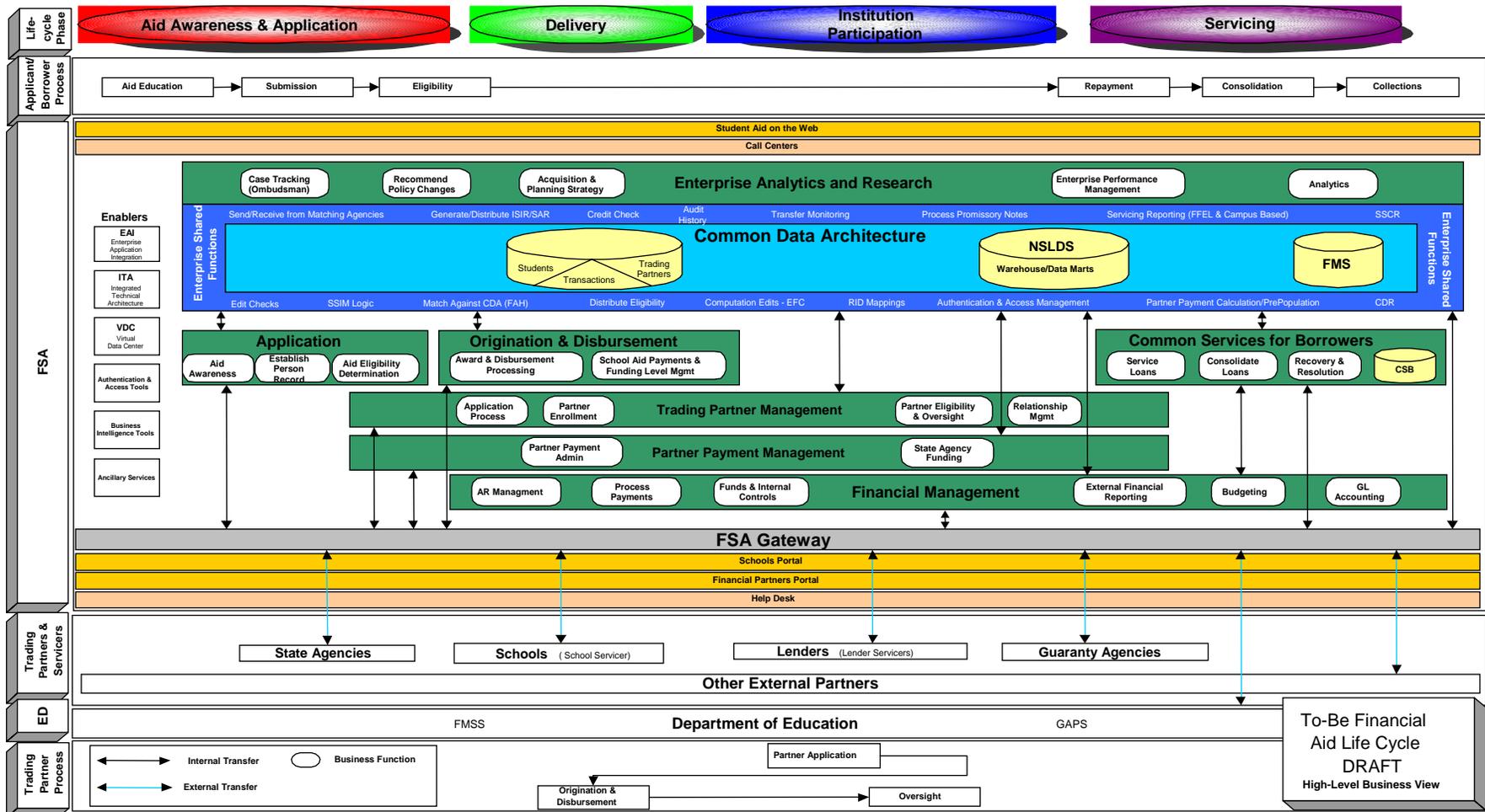
**FSA Business Architecture**



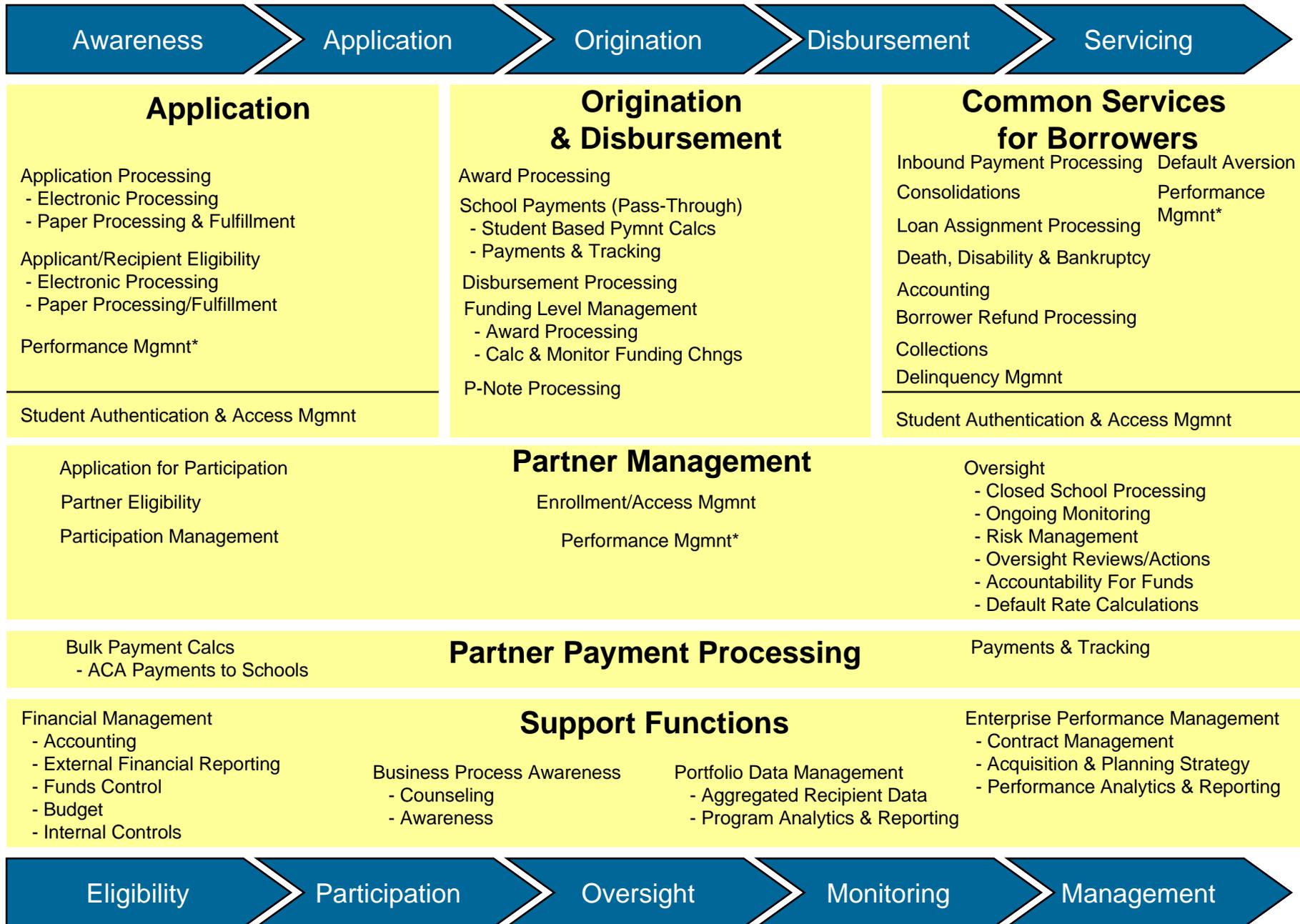
**FSA Enterprise Target State**

**Business architecture drives technology solution**

# Aid Delivery Lifecycle Overview



# Aid Delivery Lifecycle Overview - FSA Business Functions View



# FSA Integration Roles & Responsibilities

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- **Integration Team**

- Facilitate the management and workings of the FSA Business Technology Integration Group (BTIG)
- Support FSA's integration initiatives
- Manage the work efforts of FSA's Integration Partner
- Operate as the liaison between the FSA business and technical initiatives and the BTIG
  - Provide business and technical architect oversight and facilitation capabilities
  - Enable strategic thinking and directional support
  - Liaison with Management Council to escalate progress and issues and flow down strategic direction and 'new' thinking
  - Support the overall strategic procurement process relative to integration

# FSA Integration Roles & Responsibilities

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- **Integration Team Processes & Procedures:**
  - Weekly Integration Team meetings with BTIG core team
  - Bi-Weekly Integration Working Group sessions/attendance and participation in business initiative working sessions (i.e. FEBI, CSB, IPM etc)
    - Schedule and Status Progress (Red/Yellow/Green)
    - Risk Identification & Mitigation
    - Issue Management
    - Dependency Tracking
    - Major Milestone Deliverable Reviews
  - Administrative support of BTIG
    - Sequencing Plan Facilitation
    - Schedule and calendar operations
  - Escalation & Reporting Procedures
    - Integrate with FSA Program Management functions

# Integration Artifacts Transition

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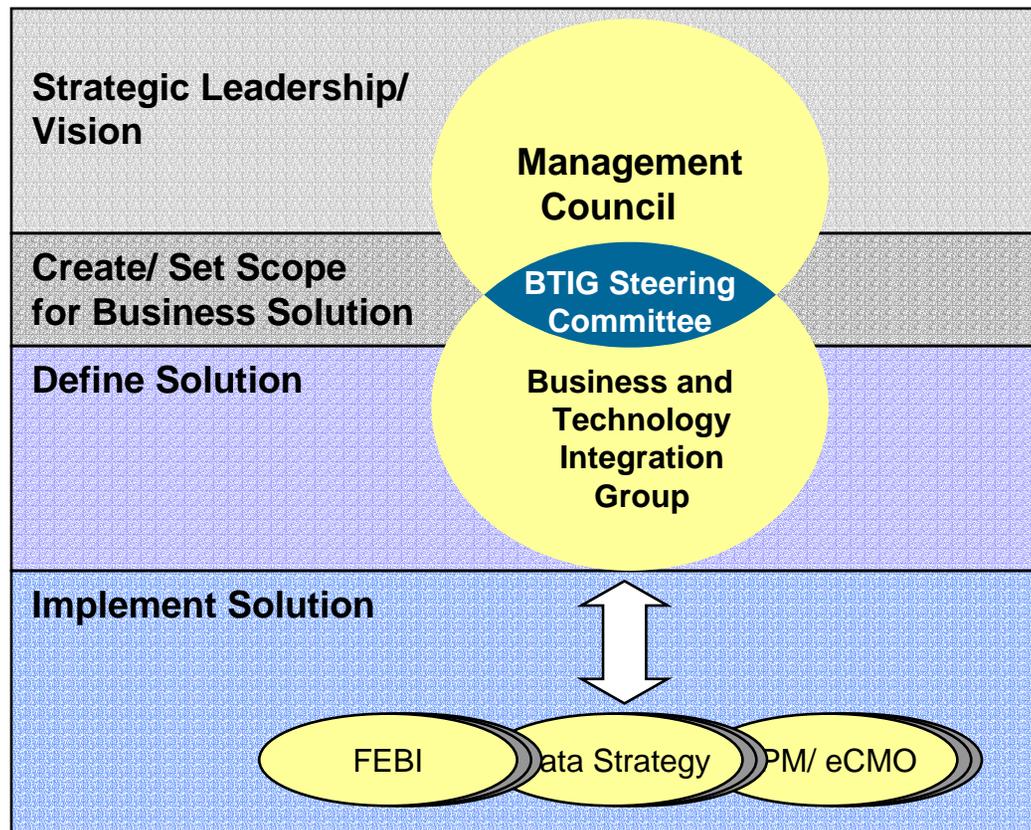
- **Artifacts to be Transitioned:**
  - Enterprise Sequencing Plan
  - Enterprise Risk Management
  - Enterprise Design Principles
  - Enterprise Business Objectives
  - Enterprise Vision Framework
  - Enterprise Business Functions

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# The Business & Technology Integration Group



## Key Responsibilities:

- Provide enterprise wide forum for interaction and assessment, review and management of integration initiatives
- Ensures integration processes and systems are aligned with Management Council direction and reviews progress of the integration of enterprise processes and systems
- Inform and manage enterprise artifacts, such as target state vision, sequencing plans and procurement strategies

# FSA Integration Roles & Responsibilities

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- Business and Technology Integration Group (BTIG)
  - Support enterprise vision definition
  - Set scope/framework/boundaries for target business architecture
  - Support definition of and inform enterprise sequencing plan
  - Establish and manage governance approach for integration
    - Manage business process models (high-level)
  - Charter integration working groups and sponsor integration initiatives as appropriate:
    - IPC sponsorship of tactical integration focused projects
    - Review new projects to ensure proper integration and scheduling

# FSA Integration Roles & Responsibilities

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- Business and Technology Integration Group (cont'd)
  - Identify necessary inputs needed for recommendations to Management Council on integration direction and progress
    - Enterprise needs & projects
    - Target State Vision alignment & impacts
    - Enterprise sequencing & implementation approaches, associated risks and issues
    - Inform Procurement Plan, Strategic Plan and Annual Budget
  - Provide support to business areas and integration initiatives
  - Participate in
    - Integration initiatives
    - Market research efforts
    - Establishment of enterprise change control board
    - Project level process flow definition