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

Please type your responses in the white answer blocks provided and return the electronic copy of this document to Treva Lutes. Please do not modify the shaded rows of the table. These rows contain special codes that we will use to populate a database automatically.

1.0 General Background

1.1 Initiative Name

Electronic Financial Statements and Compliance Audits

1.2 Initiative Description

Under authority of Section 487 of the Higher Education Act (HEA) of 1965, as amended, the Department of Education currently collects, copies, screens, disseminates, reviews and files financial statements and compliance audits in paper form from 6,500 proprietary, non-profit and public institutions that participate in Title IV programs. This function encompasses two distinct review processes led by two groups within Federal Student Aid (FSA)-Case Management and Oversight (CMO) and the Document Receipt and Control Center (DRCC). Each of these groups store financial and compliance audit data collected from the institutions as well as subsequent findings in the legacy PEPS (Postsecondary Education Participant System) via manual data entry.

The purpose of this initiative is to electronically collect and review the financial statement and compliance audit data. This initiative will provide a paperless single point of receipt and access for financial statements and compliance audits and will ensure the following:

- Fully accessible, web-based application to replace current manual operations
- Electronic data capture to minimize errors, reduce paper, and eliminate lost documents
- Automated workflow tools to decrease backlogs, shorten cycle times, and balance resources
- Integrated business rules for improved decision-making throughout the review process
- User-friendly interfaces to reduce the manual data entry points and improve data access
- Data Store to eliminate duplicate data and immediately identify missing or late documents
- Predictive analysis of troubled schools

1.3 Initiative Type

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

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

IT Infrastructure _____
IT Services _____
General Office Automation _____

1.4 Contact Information

	Name	Principal Office	Phone Number
Project Manager	Randy Wolff	FSA	202.377.3151
Program Manager	Randy Wolff	FSA	202.377.3151
Project Sponsor	Kay Jacks	FSA	202.377.4286
Contracting Officer	Janet Scott	FSA	202.377.3377
Contracting Officer's Representative	Carol Seifert	FSA	202.377.3506

2.0 Business Process

2.1 Business Process Support

___ Grants
_X_ Evaluation
___ Research
___ Information Dissemination
_X_ Enforcement
___ Resource Management & Administration
_X_ Loans
___ Other: _____
_____

The business processes supported by this initiative include Evaluation, Enforcement and Loans. This initiative supports

(1) Evaluation through the electronic review and analysis of financial and compliance audit data,
(2) Enforcement by verifying school fiscal integrity and eligibility to receive and distribute Title IV funding, and
(3) Loans as it facilitates the process of receiving and evaluating financial information from institutions to whom FSA provides funding.

2.2 Business Problem or Opportunity and Causing Conditions

The tasks performed by the DRCC and Case Teams are labor intensive and involve constant document handling. Numerous manual data entry points create frequent data errors and slow a heavily resource-laden review process. The large volume of incoming paper further overloads the review process. One of the most difficult challenges facing the DRCC and Case Teams is balancing their resources throughout the year to handle the workload at peak periods.

This backlog can prevent the Department from efficient and effective identification of institutions that are not compliant with the Title IV program. It also adversely affects the quality of services the Department delivers to its customers through lost documents, review mistakes, longer resolution periods, etc. In addition to these existing problems, FSA must allocate over 1200 square feet to physically store multiple years of audits and financial

statements. FSA has recently moved to its new location and this storage has become more costly and restricts available spacing for staff in a building where space is already at a premium. Another driver in this initiative is the Government Paper Elimination Act (GPEA). It requires agencies to allow for electronic transactions, which applies to compliance audits and financial reports.

The major problems with the current financial statement and audit review processes include the following:

- Fragmented Processes: Distinct audit and financial review processes require 8-14 specialists; Maintenance of multiple application modules is required to support the review processes; Nonstandard database architectures produce duplicate records.
- Manual Workflow: Retrieve and track mail from more than 4 different locations; Reconcile receipts of audits from FAC with electronic files; Handle 2-4 copies of every incoming audit and financial statement; Hand-write audit control numbers on compliance audits; Copy/hand-deliver documents to teams, who copy/FedEx to regions; Visual checks provide only file control over 13,500 annual documents.
- Redundant Data: Normalization rules allow data facts to be expressed more than once; Enter shared data multiple times in different application modules; Upload audit data from Federal Audit Clearinghouse into CMO application; Extract data from CMO application and upload into ED system.
- Inefficient Operations: Business rules force a "check the checkers" type of operation; Pass every document through to a minimum of 8 people; Recheck results of every review by a quality control person; Few repetitive business processes are automated; Re-compute ratios and scores to verify automated calculations.
- Security Limitations: Controlling access to data fields in 100 database tables for 400 users; Change control only includes login name, edited field and edit date; Back-filling and overwriting data fields to correct data errors.
- Older Technology: Need special query knowledge to access routine transactional data; Rely on outdated programming routines to produce reports; Extract, transfer and load data using flat files.
- Manual Data Entry: Log each incoming document into automated tracking system; Translate audit findings into codes and key in codes; Copy sample error rates from audit report into application; Enter basic financial statement data to calculate ratios and score; Retype audit findings verbatim; Insert processing dates at each review point to track progress.
- Customer Dissatisfaction: Request schools to resend lost audits and financial statements; Schools must contact DRCC to get status information; Multiple correspondence comes from DRCC, CMO, Federal Audit Clearinghouse (FAC), etc.; Notices go out incorrectly or to the wrong person(s).
- Employee Dissatisfaction: Workloads fluctuate significantly in peak periods; Deliver data for analysis to desktops in hard to user format; Reviewers with varying needs/skills must use all-inclusive modules; Restricted access to central school files impedes analysis.

2.3 Existing Systems

PEPS is the existing application that currently houses the financial statement and compliance audit data from the participating institutions. This data is collected in paper form and manually entered into the system. PEPS is the FSA system of record for institutional data – demographic, program eligibility, geographic, etc. PEPS was not intended to be the system for financial and audit review and resolution. This has led to add-on functions developed within PEPS on an as-needed basis. The result is an inefficient business process and supporting toolset.

2.4 Solution Impact

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

1. DRCC operations will change significantly. At present, numerous specialists are trained to repeatedly carry out a prescribed routine that is designed to result in a consistent decision. Integrated business rules within the application will now perform these operations at breakneck speed. DRCC will have a new role. Its focus will change from high-rate processing to expert oversight. DRCC will consist of a few highly skilled

authorities to ensure this automation complies with all current regulations and guidelines. The DRCC will focus on Quality Assurance activities associated system findings.

The CMO will also work with new proficiency. An automated workflow queue will replace manual document handling. It will manage approval and movement of electronic documents to CMO staff and streamline the resolution process. Case Teams will be more productive and able to easily prioritize their work. Staff will not have to handle volumes of paper, enter redundant data, re-calculate ratios, copy and mail documents, etc. Overall, case management for financial statement and compliance audits will become more efficient and effective with the online availability of data. This will allow people to better use their time to perform more in-depth investigations, analysis and technical assistance.

2. The Electronic Financial Statements and Compliance Audit system will become the system of record for school financial and audit data. PEPS data and processing requirements will be reduced via the deployment of the new system. Furthermore, PEPS is scheduled for retirement in FY '03 and FY '04 with the advent of the FSA Consistent Answers Modernization effort. The Consistent Answers solution will focus on all data not identified as financial and audit. Consistent Answers is dependent upon the successful deployment of this solution.

   To improve data quality, this initiative will provide interfaces to/from PEPS (and eventually Consistent Answers) or other systems, as needed.

   There are several FSA relationships that will be impacted as a result of implementing this initiative at the enterprise level:
   - FSA operates under a Memorandum of Understanding (MOU) with the FAC. The services include screening A-133 reports for completeness, notification of delinquent filings, copying and shipping, among other things. SA will need to decide what role FAC should have and renegotiate the MOU.

   - FSA will need to decide how to verify data submissions from schools. This will require reaching consensus with groups such as AICPA, OMB, NACUBO, ED-OIG, the design team and others.

3. Schools (the customer) will also benefit from the rapid acknowledgement of data receipt by FSA, the on-line availability of financial statement and audit compliance report processing status, and the ready availability (on-line storage) of submitted data for other school business purposes.

   School auditors will have on-line access to client data and will attest to financial statement and audit validity on-line. This will reduce the time required for multiple mailings and paper processing.

4. Affected stakeholders have been integrated into the development of the solution since its inception. Approximately 20 business experts represent internal FSA affected parties. These business experts took part in system requirements sessions and Joint Application Design (JAD) sessions. Business owners have reviewed and approved all system development deliverables – including the vision, requirements and design documents.

   Outside stakeholders, schools and auditors, have been involved in the process through the creation of a User Steering Committee. Bi-monthly teleconferences identify system development progress and request user feedback on key issues (i.e. data entry) most relevant to end-users.

5. Minimal training of staff and end-users will be required at system deployment. This application will be web-based, providing for widely recognized intuitive business flow. The use of web-based technologies allows for capability deployment with minimal training impacts.

   No major reorganization efforts will be required. DRCC contractor staff will be reduced and will focus on expertise associated with problem reporting resolution. CMO staff will also focus on troubled and challenged institutions as a result of automated data receipt, processing and scoring.

2.5 Business Process Reengineering

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

Existing business processes will remain unchanged until system deployment in January of 2003. The implementation of a tool to support a reengineered business process is essential for the successful rollout of the new process. The reengineered process has been developed with the assistance of FSA internal stakeholders and will be completed on May 15, 2002.

The reengineered business process will streamline the receipt, review, processing and acknowledgement of school financial statement and audit compliance reports via the elimination of manual processing of paper, subjective review and analysis by multiple reviewers and the need to spend equal time on all financial and audit reports – regardless of status. The new process will provide consistent and automated workflow and scoring mechanisms, thus reducing processing time dramatically and allowing CMO and DRCC staff to focus on those statements and reports indicating non-compliance and/or potentially troubling financial status. This will enable staff to be proactive in counseling of institutions rather than being reactive once troubles have become critical in nature.

2.6 Mandatory Requirement

The Government Paper Elimination Act requires government agencies to have electronic versions of most documents. In accordance with this act, this initiative will provide electronic versions of current paper financial statements and compliance audits. Refer to Section 5.4, GPEA, for additional information.

Submissions of annual institution financial statements and compliance audits is required in the Code of Federal Regulations (34CFR) paragraph 668.23 and deemed evidence of administrative capability for use of Title IV funds in paragraph 668.16. The current code requests that schools "participate in the electronic processes that the Secretary (1) provides at no substantial charge to the institution; and (2) Identifies through a notice published in the Federal Register."

Financial statement and compliance audits are currently submitted to the Federal Government by A-133 institutions (Public and Private) via the Single Audit Act. This act requests the single submission of said documentation to the Census Bureaus Federal Audit Clearinghouse (FAC) for distribution to concerned/affected government agencies. This initiative (Electronic Financial Statements and Compliance Audits) provides for the capture of electronic versions of the Single Audit. It will not however immediately change the paper-based FAC filing process – but may be used to assist the FAC in GPEA compliance in the future, serving as a prototype for electronic filing. FSA and OPE will work with OMB to assess changes to the current Memorandum of Understanding as required and to assess usability of this solution in future Single Audit A-133 Financial Statement and Compliance Audit filing.

Schools have confirmed their acknowledgement and willingness to file via both paper (FAC) and electronically (this initiative) for the foreseeable future. The advantages (noted in Section 2.4 paragraph 3) to schools outweigh this minimal inconvenience.

This initiative also directly aligns with Goal 6 of the Department of Education's Strategic Plan for 2002-2007, Establishing Management Excellence.

2.7 Consequence of Not Funding the Initiative

The following consequences will result if this initiative is not funded:

- Unable to ensure timely fiscal oversight and program integrity
- Continue to be criticized by the OIG/GAO for not reviewing and resolving audits in accordance with requirements.
- Continue to be in non-compliance with GPEA mandate.
- A financial statement module enhancement will not resolve current problems nor automate any of the existing processes. Functions will continue to be performed as usual, except with a different database.
- Costs will continue to grow with inflation without any added benefit to oversight and analysis.
- Continue to fund contractor support and incur shipping and mailing costs, thus interfering with the overall goal of the FSA to reduce unit costs.
- Continue to rely on timely manually intensive process and human error related to manual processes.

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
_X_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 _X_ Objective 6.1 Develop and maintain financial integrity and management and internal controls. _X_ Objective 6.2 Improve the strategic management of the Department's human capital. _X_ Objective 6.3 Manage information technology resources, using e-gov, to improve service for our customers and partners. _X_ Objective 6.4 Continue to 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 demonstrating management excellence, receive the prestigious President's Quality Award.
___**None of the Above**

3.3 Strategic Plan Strategies Supported

The following are the Department's Strategic Plan strategies supported by this initiative:

Strategic Objective 6.1

Develop and maintain financial integrity within the Department and its programs and management and internal controls.

- **Update and integrate financial systems.**
  Implement and upgrade a new financial system capable of producing timely and reliable financial data and reconcile systems to the general ledger.
- **Prepare financial systems to provide leading data on Department performance.**
  The Department will create quarterly financial statements to track financial performance against agreed upon budgets.
- **Implement data-mining to reduce fraud.**
  Create data analysis capabilities within financial and program management systems.
- **Review all existing internal controls and implement changes where necessary.**
  These efforts will include processes for monitoring and holding grantees and contractors accountable and closing open audit recommendations.
- **Increase the use of performance-based contracting.**
  Contractors will be held to objective performance criteria.

Strategic Objective 6.2

Improve the strategic management of the Department's human capital.

- **Identify and obtain needed skills.**
  The Department will continue its efforts to identify core work competencies and develop and implement strategies to close skill gaps.
- **Improve employee performance and accountability.**
  The Department will increase efforts to ensure high employee performance and accountability by improving management training and by strengthening employee performance appraisal and feedback systems.
- **Improve core processes related to human capital management.**
  The Department will reengineer key human capital processes and ensure that it has the resources to assist the Department in.
- **Improve the use of competitive sourcing.**
  The Department will identify new opportunities for competitive sourcing, and will improve the performance of current contracts addressing its human capital challenges.

Strategic Objective 6.3

Manage information technology resources, using e-gov, to improve service to our customers and partners.

- **Provide customers the opportunity to conduct business with the Department on-line.**
  Implement productivity improvements through implementation of e-gov applications, customer relationship management, supply chain management or knowledge management best practices.

- **Ensure security of the IT infrastructure.**
  Periodically update and validate the General Support Systems and Major Application inventory. For each GSS and MA, assure a current risk assessment and security plan and that certification and accreditation is in place.

- **Reduce partners' data reporting burden.**
  Minimize burden on our partners by reducing the number of information collections addressing similar issues. 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, collaboratively build and publish data standards, including consensus data elements and definitions. The enterprise architecture will be structured to meet business needs.

- **Complete enterprise architecture.**
  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.

Strategic Objective 6.4

Continue to modernize the Student Financial Assistance system and reduce the high-risk status of Title IV programs.

- **Create an efficient delivery system.**
  Use new technologies and system integration for improving service, cutting costs, improving systems, minimizing noncompliance and default rates, and reducing the improper payment of student aid funds.

- **Improve program monitoring.**
  Strengthen financial management and internal controls so that relevant, timely information is available to manage day-to-day operations. Assure balance between school technical assistance and program monitoring.

3.4 Quality Indicators

The following metrics will be used to quantitatively and qualitatively determine the success of the initiative:

- Immediate recognition of missing or late audits; ability to take immediate action
- Reduced time for action for non-compliant schools
- Less time (or no time) spent on manual edit checking
- Reduction in number of incomplete reports due to automated error checking
- Reduction in deficient audits due to consistent business processing and business rules
- Enhanced in-depth analysis/trending capabilities of data; predictive analysis of potential school troubles

4.0 Technology Initiative

4.1 Initiation Date

January 01, 2002

4.2 Initiative Deployment / Implementation Date
January 31, 2003

4.3 Initiative Phase
__X__Under Development _____ Maintenance Only _____ Maintenance with Enhancements

4.4 Initiative Scope
The Electronic Financial Statements and Compliance Audits initiative is a straightforward Information Technology project. The FY03-04 project consists of development, testing and deployment. Specifically, the scope includes: • Building an end-to-end application with analysis capability and workflow decision logic • Applying the enterprise security system to authenticate users and authorize access levels • Interfacing with applicable internal and external databases (Consistent Answers, FAC, etc.) • Testing the application with institutions and case teams • Producing user manuals and training materials • Delivering training sessions for Case Teams • Implementing application, including 90 days of operation and maintenance with help desk • Establishing any 8A-contracts necessary to support ongoing operations and maintenance The scope will not include: • Modifying any of the current FSA database systems (PEPS, Compliance Audit Record System (CARS), etc.) • Providing training-related equipment, facilities, or travel funds for Case Teams • Input forms and business rules for foreign schools and third-party servicer audit reports

4.5 Assumptions, Constraints, and Dependencies

1. The following address the assumptions regarding this initiative:
   - Reduction in DRCC contractor staff after a determined transition period.
   - Estimated cost reductions from eliminating copying and mailing documents.
   - Decrease in Federal Audit Clearinghouse costs since screening, copying, and mailing would no longer be needed.
   - VDC Costs will be approximately $30,000 / month for operations support.

2. The following list the constraints that stand in the way of successful implementation of this initiative and how they will be mitigated:
   - Completion of initiate, define and design phases in FY02 – on schedule for timely completion. Team and funding in place for completion in FY02.
   - Allocation of FY03-04 funds related to this initiative. Funding included in proposed FY03-04 budget.
   - Regulatory changes for mandatory electronic submission by schools. Initial release of capability will be via voluntary compliance; negotiated rule making will be used to ensure mandatory compliance. Office of Postsecondary Education (OPE) assistance will be required as they are responsible for processing regulatory changes.

3. The following list other initiatives (IT and non-IT) this initiative is dependent upon:
   - EAI (Enterprise Application Integration): Communication infrastructure (interface mechanism) required for system implementation and deployment.
   - ITA (Integrated Technical Architecture): Re-usable toolset required for implementation and deployment.
   -

4.6 Outstanding Issues

There are no outstanding issues related to this initiative that require senior management attention.

4.7 Benefits

The following describe the benefits associated with this initiative:

- Reduced unit costs: Lower operating costs (paper, mail, filing), reduced contractor costs resulting from fewer staff to perform initial screening and reviews and a decrease in FAC costs due to a reduced role.
- Increased customer satisfaction: Increase in FSA customer satisfaction survey scores, fewer common errors, reduction in backlog, improved response time to questions from schools, decrease in resolution time for deficient audits and flagged financial statements, immediate acknowledgment upon submission, feedback and retrieval and consistency in correspondence.
- Increased employee satisfaction: Increase in employee satisfaction survey scores, fewer complaints registered at performance feedback sessions, positive feedback through conference and site visits, documenting key resolution successes from case experiences and applying them throughout CMO, improved and efficient access to audit data regardless of location, reduced backlog of reviews, improved ability to accurately identify late audits and enhanced reporting capability.
- Paperwork Reduction: This initiative will relieve the burden currently placed on FSA's Title IV participating schools to submit 300+ pages of paper based financial statements. It will also relieve the burden from FSA of having to physically store those paper-based submissions and will further enhance FSA's electronic records management initiatives.

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
_X_ 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

This initiative does not close an audit recommendation.

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

Alternatives	Description	Total Life Cycle Costs	Benefits	Drawbacks
Alternative 1 (Selected Alternative)	EZ Audit	FY2002= FY2003= FY2004+ (Operations)= Total=	Refer to Section 4.7, Benefits	N/A
Alternative 2	Do Nothing	$0	None	Unable to ensure timely fiscal oversight and program integrity. Continue to be criticized by the IOIG/GAO for not reviewing and resolving school compliance audits in accordance with requirements. In non-compliance with GPEA mandate.

Alternative 3	Enhance PEPS with an electronic financial statement submission module.	Cost would be the same as Alternative #1; not an option given retirement of antiquated legacy system.	N/A	PEPS is scheduled for retirement in FY'03 as part of modernization. PEPS system was not designed to house financial and audit data – this would be an add-on to antiquated/legacy system. Solution would not be integrated with desired business process.

The EZ Audit alternative was selected as it meets the Department's goals for unit cost reductions, increased customer satisfaction and increased employee satisfaction and also aids in paperwork reduction.

5.0 Enterprise Architecture

5.1 Use of COTS/GOTS

Percentage of COTS/GOTS Components:

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

COTS/GOTS components for this initiative include EAI middleware and the ITA Tool Set.

5.2 Consistency with Product Support Plan
(Please refer to Appendix A to identify supported products and indicate non-supported products below)

The hardware and software identification associated with the initiative is to be determined. It is assumed users already possess the minimum hardware and software requirements, a personal computer capable of accessing the Internet.

5.3 Section 508 Compliance
(Accessibility)

1. The Assistive Technology Team will review the hardware and software that comprise the initiative for 508 compliance once the hardware and software have been identified.
2. N/A
3. N/A

5.4 Government Paperwork Elimination Act (GPEA)
(Business Process Support and Program Delivery Systems only)

1. The transaction and record keeping functions include entry and submission of financial statement and compliance audit data to the Department, review of the submitted data and notification to customers of resulting decisions. Currently this process is performed manually. Submissions of this documentation are required in the Code of Federal Regulations (34CFR) paragraph 668.23 and deemed evidence of administrative capability for use of Title IV funds in paragraph 668.16.
2. This initiative does implement electronic transactions and record keeping, as covered by the GPEA.
3. The number of respondents per transaction is 6,500; the number of institutions FSA collects financial and compliance audit information from. OMB Control Number: 1845-0021. Forms clearance will be required for modification of existing (paper based) OMB approved data collection forms as these are migrated to the electronic format/medium.

5.5 Information Management
(Business Process Support and Program Delivery Systems only)

1. The initiative will collect information from respondents external to the Department. The types of respondents include Title IV participating schools and school auditors.
2. The timetable for collection of information is 6 months after the institution's fiscal year end.
3. OMB Form 83-I Supporting Statement for Paperwork Reduction Act Submissions has not been completed for the data completion, nor has the data collection been certified as per the Paperwork Reduction Act. Data collection requirements and formats for collecting data for this initiative are currently being defined, as the initiative is currently under development.

5.6 Privacy

1. This initiative will collect and maintain personally identifiable information related to the institution, however, this information is to be determined. Unique identifier data elements are still being defined, as the initiative is currently under development.
2. A Privacy Act Notice has not yet been prepared and published in the Federal Register.

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)

N/C

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

12/31/2002

Part 1 – c.

Security components are to be determined as the initiative progresses and are anticipated for completion prior to implementation.

Part 2 – a. (Please enter a date in the form of MM/DD/YYYY or N/C)
N/C
Part 2 – b. (Please enter a date in the form of MM/DD/YYYY or N/A)
12/31/2002
Part 2 – c.
Security components are to be determined as the initiative progresses and are anticipated for completion prior to implementation.
Part 3 – a. (Please enter a date in the form of MM/DD/YYYY or N/C)
N/C
Part 3 – b. (Please enter a date in the form of MM/DD/YYYY or N/A)
12/31/2002
Part 3 – c.
Security components are to be determined as the initiative progresses and are anticipated for completion prior to implementation.
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)
12/31/2002
Part 4 – c.
Security components are to be determined as the initiative progresses and are anticipated for completion prior to implementation.
Part 5 – a. (Please enter a date in the form of MM/DD/YYYY or N/C)
N/C
Part 5 – b. (Please enter a date in the form of MM/DD/YYYY or N/A)
12/31/2002
Part 5 – c.
Security components are to be determined as the initiative progresses and are anticipated for completion prior to implementation.

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)
12/31/2002
Part 6 – c.
Security components are to be determined as the initiative progresses and are anticipated for completion prior to implementation.

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	N/A	N/A	N/A	N/A
Project Resources (Financial, Personnel, etc.)	1) Delay in implementation will force institutions to continue to submit paper; 2) Delayed delivery or lack of required implementation funding.	Low	High	1) Develop detailed plan for current vendor and funding to continue for O&M of legacy processes; 2) Secure available funding via timely submission and award of proposals and communicate changes to schedule

Project Management	1) Reluctance of FAC to adopt new processes of change Memorandum of Understanding; 2) Insufficient ED/FSA staff to support parallel processes during startup; 3) Appropriate levels of sponsorship from FSA, Modernization Partner and Operational Partners; 4) Resource availability; 5) Key decisions cannot be made; 6) Scope creep	Low to Medium	High	1) Communicate with OMB and research options for A-133 submission; / 2) Detailed implementation plan that addresses staffing needs in advance; 3) FSA sponsor(s) and Modernization Partner must require full support and participation from all key stakeholders; 4) Allow time for staffing and communicate need to FSA; 5) Modernization Partner will clearly communicate decisions required as well as timeline for resolution and FSA will identify and engage external stakeholders and adhere to rapid decision making schedule; 6) FSA will focus on scope control

Business	1) Failure to properly communicate changes with School community may have delayed participation; 2) Lack of consensus with stakeholders 3) Ability to secure required regulatory changes	Low to Medium	High	1) Execution of detailed implementation plan addressing communication needs and outreach activities; 2) Modernization Partner will engage stakeholders in a manner which allows for inclusion and equal value of all inputs and FSA will provide guidance and leadership in the development of key messages and identify and support decision making procedures; 3) Modernization Partner will clearly communicate decisions required as well as timeline for resolution and work with FSA to engage OPE and OMB and FSA will identify and engage all external stakeholders and adhere to rapid decision making schedule
Data/Information	N/A	N/A	N/A	N/A
Application	N/A	N/A	N/A	N/A

Technology/Infrastructure	1) Other technology implementations not considering EFSA will cause unnecessary costs to be incurred; 2) Requirements that extend COTS package customization beyond its capabilities or estimated design and development time frame; 3) Using consistent technology that will not integrate with other similar initiatives; 4) 0-25% use of COTS/GOTS components, a major source of risk as initiatives based on COTS/GOTS solutions are desirable.	Low	High	1) Communicate the implications of implementing technology without reviewing with FSA/Modernization Partner to ensure target state alignment; 2) Ensure that FSA and Modernization Partner understand the capabilities of the COTS packages and level of effort required for customization; 3) Review technologies for integration capability against target architecture; 4) Analysis will explore opportunities for use of additional COTS/GOTS components.
Security	Web-based security issues	Low	High	Following web security standards and guidelines
Privacy	N/A	N/A	N/A	N/A

6.2 Operational Performance Measures

1. Capacity and operational metrics planning and definition is currently in progress.
2. This effort will be completed by June 15, 2002. Performance testing, scheduled for December of 2002, will confirm readiness for production.

6.3 General Acquisition Strategy

1. Single contract
2. Firm Fixed Price
3. No
4. Performance Period: Same as GSA Contract (9/7/99 – 9/30/02, with two 5 year options)
5.

   Ordering Agency: US Department of Education (ED), Federal Student Aid (FSA), Union Center Plaza 830 1st Street NE, Washington, DC 20004
   Project: Modernization Partner
   Contract Type: 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)
   BPA #: ED-99-DO-0002

6-10. 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