

TO: Secretary Paige
FROM: Theresa S. Shaw, Chief Operating Officer, Federal Student Aid
RE: FSA Weekly Report
DATE: January 27, 2003

THE WEEK AHEAD

FY02 FSA Financial Statement Audit: Ernst & Young's official audit opinion is expected this week. FSA CFO has worked closely with OCFO and Budget Services to coordinate with the auditors. The draft opinion issued January 24 indicates the Department will get an unqualified opinion. The unqualified opinion will be a major success for Secretary Paige and the Department. The clean opinion will enhance FSA's efforts to remove the Student Financial Assistance Programs from the GAO High Risk List.

Enterprise Architecture Briefing for OMB: On January 30, FSA will participate with other ED offices in a presentation to OMB about ED's approach to Enterprise Architecture. The presentation will answer specific OMB questions and address concerns about FSA integration and collaboration with the rest of ED on Enterprise and Data Architecture.

KEY NEWS

PROGRAM INTEGRITY

Pell Grant Unprocessed Deobligations: We are working toward a February 17 deadline for taking "stop pay" action against schools participating in the Pell Grant program who have not resolved their Unprocessed Deobligations. Staff continue to field calls and work with schools that would be affected. After two warning letters, on November 13, ED notified over 500 schools that they would be put on stop pay unless they get their negative balances resolved.

Form 2000 Upgrade: The team is working on the Task Order Technical Proposal and business case, in preparation for taking the item to the ED IRB (Investment Review Board). It has already been approved by FSA's Decision Support Group and Investment Process Council.

Lender Reporting System: The Lender Redesign effort has completed deployment and is moving into the post-production support phase. Team members are continuing an effort to respond to inquiries from the community and reach out to community members who are not yet prepared to use the Lender Reporting System to submit interest and special allowance data.

SYSTEMS INTEGRATION & NEW IT SOLUTIONS

Post-Implementation Review Process Guide: The e-Commerce Quality Assurance team has completed review and acceptance of the Post-Implementation Review (PIR) Process Description document. The document establishes guidelines and common procedures that define the objectives, activities, and documentation required to perform a Post-Implementation Review on systems deployed within FSA. Implementation of this program will meet Clinger-Cohen and

OMB Capital Planning Programming Guide requirements to review IT investments and ensure they are functioning effectively and meeting customers' needs.

Two Pilot PIR efforts have been completed and we are working on two new ones—eCampus Based and Common Origination & Disbursement. We plan to kick off two additional PIR efforts each month through April. Our process and procedures are being coordinated with OCIO and Booz-Allen Hamilton to ensure all ED objectives are met.

Waveset Product Presentation: On January 23, FSA CIO attended a presentation by Waveset Technologies, Inc., on their “Waveset Lighthouse” product to assess its potential use by ED. Waveset Lighthouse provides a comprehensive identity management solution designed to securely create, provision, and manage a unified identity across an extended enterprise. The assessment was at the request of Secretary Paige with ED’s CIO as lead.

Virtual Data Center: On January 23, FSA CIO and ACS staff conducted the quarterly on-site visit to the VDC facility at Newark, Delaware, and reviewed the performance, facility, and staffing.

e-GOVERNMENT

IFAP Growth: Subscriptions to IFAP e-mail notices increased 150% between January 2002 and December 2002. The “Information for Financial Aid Professionals” Web site, ifap.ed.gov, is an electronic library of Federal student aid resources and information. The most-requested e-mail notices were about COD, EFC (Expected Family Contribution), loan relief, and student eligibility. Customers consistently use the search and link navigation tools to view handbooks, Dear Partner/Colleague letters, and electronic announcements.

PUBLIC AFFAIRS

Rep. Barney Franks Inquiry: FSA worked with OCLA on an inquiry from Congressman Franks’ office. Franks’ staff requested information about how many people have been determined ineligible for Federal student aid because of “the drug question” on the FAFSA.

GAO Foreign School “Sting:” FSA has worked with OPA on news media follow-ups to the January 16 “NBC (TV) Nightly News” story on the GAO “sting” related to foreign schools that participate in Title IV.

ON THE HORIZON

OIG Audit of Debt Collection Contractors: An entrance conference is scheduled for February 5 for an OIG audit of debt collection agency contractors. OIG’s objective is to determine the effectiveness of our contractor monitoring activities.

GA Draft Default Rates: FY01 Draft Cohort Default Rates for guaranty agencies (GAs) are scheduled to be released in mid-February. The draft rates were calculated on January 12 and staff are currently reviewing them.

EZ-Audit: On April 1, this new Web-based system for schools to electronically submit their financial statements and compliance audits goes live. On January 22, FSA posted notice on IFAP about the process schools need to follow to register to access the system. User acceptance testing is scheduled for February 18-20 and 25-27. Training for all FSA users is scheduled to begin the week of March 12 in the Chicago regional office. The system will replace the manual process that Case Management & Oversight currently uses to receive compliance audits and financial statements from schools.

CONTACT INFORMATION

Please contact Karen Santos Freeman at 377-4001 with any questions.