



## UNITED STATES DEPARTMENT OF EDUCATION

Office of Federal Student Aid Programs  
Office of the Chief Operating Officer

**TO:** Secretary Rod Paige  
U.S. Secretary of Education

**FROM:** Theresa S. Shaw  
Chief Operating Officer

**RE:** FSA Weekly Report

**DATE:** April 7, 2003

### **THE WEEK AHEAD**

**Virtual Data Center (VDC):** FSA CIO and ED CIO senior management will visit the Virtual Data Center (VDC) facility and meet with Computer Sciences Corporation (CSC) staff in Meriden, Connecticut, on April 8. The purpose of the site visit is to review on-going performance and cost issues, review CSC services, tour the facility, and discuss the possible future integration of other ED computer resources with FSA resources currently located at the VDC.

**IRS/FSA Legislation:** FSA is scheduled to meet this week with OMB, OPE, and Treasury on the IRS/FSA matching legislation.

**AACRAO:** FSA presented today to the American Association of Collegiate Registrars and Admissions Officers about the requirement for schools to confirm student enrollment.

### **OPERATIONAL METRICS**

**Application Activities For Week Ending March 30, 2003:** The Central Processing System ("CPS") has processed 4,273,248 applications for the 2003-2004 cycle, a 5.9% increase over the 2002-2003 cycle.

**1-800-4FEDAID:** Year-to-date, FSA call centers have received 2,315,781 calls, a 1.7% increase over last year. Service levels have increased with 98.7% of calls completed, a 10.1% increase over FY2002-2003 and the average speed to answer reduced by 85.1% to 10 seconds.

**Total FSA Default Recoveries:** Total FSA Default Recoveries for the fiscal year reached \$740.5 million, up 17% year to date. Total non-consolidation recoveries reached \$584.8 million, up 34% year to date. Combined Recoveries from our private collection agency efforts reached \$468.3 million, up 26% year to date. Total Recoveries for March were the highest ever achieved in a single month - \$198.05 million, up almost 30% over March, 2002. Total non-consolidation recoveries were also the highest ever - \$172.1 million, up 37% over March, 2002. The totals were a result of significant increases in loan rehabilitations and income tax offsets from the tax-filing season.

**FAFSA on the Web:** FAFSA on the Web reached another milestone this week receiving the three millionth 2003-2004 FAFSA Web Application, two months earlier than last year.

### **KEY ISSUES**

**eZ-Audit Launched:** On April 1, 2003, FSA launched eZ-Audit, a web-based, single point of submission for school financial statements and compliance audits. eZ-Audit will streamline the reporting process by eliminating paper submissions, increasing accuracy, and reducing processing times. Over 250 institutions registered to use the system in its first week of operation.

**Progress Towards the President's Agenda:** FSA met with the Management Improvement Team and OMB to update OMB's quarterly scorecard for the "*Elimination of Fraud and Error in Student Aid Programs and Deficiencies in Financial Management*" initiative of the President's Management Agenda. Based on FSA's progress, the Department is optimistic that the status will be updated from a red to a yellow, with progress remaining as a green.

**Higher Education Web Standard:** FSA continues to work with the Postsecondary Electronics Standards Council ("PESC") and the National Council for Higher Education Loan Professionals ("NCHELP") Electronics Standards Council to develop an XML standard for academic transcripts and K-12, FFEL and Alternative Loan records.

**Status of Unprocessed De-Obligations:** In November 2002, the Department alerted over 700 schools to an impending "Stop Pay" action as a result of their failure to resolve outstanding unprocessed de-obligations. (An unprocessed de-obligation results when the net amount of cash that a school has drawn from the Treasury exceeds the necessary amount.)

As of February 17, cash flows were stopped to schools participating in the Pell Grant and Campus-Based Programs that did not resolve their unprocessed de-obligations. A total of 140 schools (out of approximately 5,000) with unprocessed de-obligations totaling \$1.5 million were affected. As of April 2, 29 schools remain in a stop pay status, with de-obligations of approximately \$300,000. The Department's OCFO will restore funding to affected schools that work to resolve these unsupported balances.

### **ON THE HORIZON**

**Regional Office Visits:** On April 15, Terri Shaw is scheduled to visit FSA's Boston regional office. Shaw is scheduled to visit the New York office on April 16.

**WASFAA:** FSA representatives are scheduled to provide an update on FSA and the federal student loan program to the Western Association of Student Financial Aid Administrators on April 13-15.

**2002 Annual Report:** FSA is finalizing the 2002 Annual Report for the Department's approval and subsequent submission to Congress. Our target submission date to Congress is early May.

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**Customer Service for New Title IV Schools:** Throughout April, the Dallas Case Management Team's New School Visit Committee will conduct a series of two-day workshops for Region VI schools that are new to Title IV. The purpose of the workshop is to give schools an opportunity to ask questions, voice concerns, and learn more about the Department of Education and Title IV.

**FAFSA 2004-2005:** The comment period for the draft 2004-2005 FAFSA will remain open until May 5 with final approval expected by July 22 as compared to October 7 last year.

**Federal CIO Council – Components Subcommittee:** On March 18, FSA was asked to lead an interagency team tasked with conducting a comparative analysis of component-based enterprise architecture systems in an effort to identify a model for Federal agencies. A white paper summarizing results of the analysis is being drafted and will be presented to the full Components Subcommittee by April 30.

### **CONTACT INFORMATION**

Please contact Chris Greene at 377-4003 with any questions.