



## 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 14, 2003

### THE WEEK AHEAD

**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.

### OPERATIONAL METRICS

**Application Activities For Week Ending March 30, 2003:** The Central Processing System ("CPS") has processed 4,637,048 applications for the 2003-2004 cycle, a 6.6% increase over the 2002-2003 cycle.

**1-800-4-FED-AID:** Year-to-date, FSA call centers have received 2,507,110 calls, a 2.2% increase over last year. Service levels have increased with 98.6% of calls completed, a 9.2% increase over FY2002-2003 and the average speed to answer reduced by 82.4% to 11 seconds.

**Total FSA Default Recoveries:** Total FSA Default Recoveries for the fiscal year reached \$793.3 million, up 18% year to date. Total non-consolidation recoveries reached \$630.1 million, up 35% year to date. Combined Recoveries from our private collection agency efforts reached \$468.3 million, up 26% year to date.

### KEY ISSUES

**Customer Service/Employee Recognition:** The South Carolina Association of School Financial Aid Administrators (SCASFAA) awarded to FSA employee, **David Bartnicki**, the **2003 Distinguished Service Award** in recognition of significant contributions to higher education and student financial assistance programs. David joins an elite group of past recipients that include Richard W. Riley, former Secretary, U.S. Department of Education and Dallas Martin, Executive Director, NASFAA. The award was presented to David last week at the

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SCASFAA Spring Conference in Myrtle Beach, SC. David is the Institutional Improvement Specialist with the Atlanta Case Management Team.

**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. As a result, FSA submitted a draft plan to OMB on April 11 outlining ways to better monitor the program's progress. OMB staff plans to brief the Deputy Director on the proposed final plan by April 18.

**Program Integrity, Program Participation Agreement Revoked:** On April 3, FSA's Southwest Case Management Division revoked the Provisional Program Participation Agreement of Academy Education Services in Oxnard, CA. Case Management and Oversight (CMO) determined that the school falsified information on its application. The College may request reconsideration of the revocation action within twenty days of receipt of the notice.

**Customer Service, Default Management Initiatives:** FSA personnel visited Marion Military Academy in Marion, Alabama, Gadsden Business College in Rainbow City, Alabama, and Somerset Technical College in Somerset, Kentucky to provide default management assistance. Employees were trained on a variety of topics including Cohort Default Rates (CDR), default management plans, the National Student Loan Data System, the Default Management Software Application, and Late Stage Delinquency Assistance.

**Annual Financial Statement Audit:** This week, Ernst & Young began FSA's 2003 Annual Financial Statement Audit. The group is scheduled to meet next week to discuss the project's accelerated timeline and to coordinate schedules.

**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 10, 24 schools remain in a stop pay status. The Department's OCFO will restore funding to affected schools that work to resolve these unsupported balances.**

### **ON THE HORIZON**

#### **NEW INITIATIVES**

Nothing to Report

#### **PREVIOUSLY REPORTED**

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**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.

**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.