



UNITED STATES DEPARTMENT OF EDUCATION

Federal Student Aid

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

FROM: Terri Shaw
Chief Operating Officer

RE: FSA Weekly Report

DATE: June 16, 2003

THE WEEK AHEAD

OPERATIONAL METRICS

Application Activities through June 8, 2003: The Central Processing System (CPS) has processed 7,455,829 applications for the 2003-2004 cycle, a 7.4% increase over the 2002-2003 cycle.

1-800-4-FED-AID through June 7, 2003: Year-to-date, the Federal Student Aid Information Center (FSAIC) has received 4,077,062 calls, a 3.2% increase over last year. Service levels have increased with 98.6% of calls completed, a 5.3% increase over last year and the average speed to answer reduced by 72.7% to 11 seconds.

FSA IN THE FIELD

Regional Office Visits: Last Tuesday and Wednesday, Terri Shaw visited FSA's Denver and Seattle regional offices. Terri has now visited nine regional offices to meet with FSA staff and plans to visit Dallas in the coming months.

LEAP/SLEAP Update: FSA representatives presented a Leveraging Educational Assistance Partnership/Special Leveraging Educational Assistance Partnership (LEAP/SLEAP) program update to the attendees of the annual National Association of State Student Grant and Aid Programs (NASSGAP) spring conference. The update focused on the upcoming milestones for the program and program performance information.

KEY ISSUES

Students.gov Website Usage: In May 2003, more than 180,000 users visited students.gov. This broke all previous monthly traffic records by more than 30,000 visits, and represents an **89%** increase from May 2002 and a **21%** increase from last month. The large number of May visits is due to an AOL promotion.

Sallie Mae Monthly Payment Error: FSA continues to assess the impact of Sallie Mae's recent disclosure that a Sallie Mae system problem caused over 800,000 borrowers to make inaccurate monthly payments. FSA, OPE, OGC, and OIG are working to determine the scope of the problem and will identify appropriate remedies and policy implications. Last week, FSA drafted a response for your office to Representative George Miller regarding his inquiry on this matter. In addition, FSA requested specific plans and timetables from Sallie Mae to address the impact of the servicing error on all categories of affected borrowers. A follow-up meeting is scheduled for June 20, with Sallie Mae representatives at FSA offices.

ON THE HORIZON

IFAP/School Portal Website Disaster Recovery Test: On June 19-20, 2003, the Virtual Data Center (VDC) will perform its annual hot site test, moving its operation from Meriden, CT to Carlstat, NJ to test its capability to restore data and applications in the event of a significant disruption of VDC functionality.

Career College Association (CCA) Annual Convention: FSA representatives are scheduled to present at CCA Annual Convention in Las Vegas on June 25-27. The theme of this year's Convention is "Career Education: Visions of Excellence." On June 25, the Accrediting Commission of Career Schools/Colleges of Technology, the Accrediting Council for Independent Colleges and Schools (ACICS), and the Accrediting Bureau of Health Education Schools will hold an Accreditation Annual Conference prior to the CCA Convention. FSA staff will conduct a roundtable for ACICS members.

Boston Summit: FSA's Eastern and Northern Regions will be hosting a "Boston Summit" partnership meeting on August 27, 2003 in Boston, MA. The "Boston Summit" is an annual meeting focusing on guaranty agency operations and finance.

Default Aversion information sharing session: FSA and ASA will host a "Default Aversion information sharing session." This session is scheduled for late October in Boston, MA. The session will provide an opportunity for the guarantors from the two regions to share successes on default aversion practices.

Voluntary Flexible Agreements (VFA): FSA approved the draft Voluntary Flexible Agreement (VFA) Report to Congress and forwarded it to OES for official clearance. VFA's replace the standard agency agreement for selected guarantors that develop innovative methods for delinquency and default prevention. We anticipate final approval by the end of June at which time the report will be released to Congress.

Common Services for Borrowers (CSB) Procurement: The Department of Education has completed Phase I of FSA's CSB procurement. ACS Education Solutions, AT&T Government Solutions, and Sallie Mae, Inc. were selected to submit proposals under Phase II. The Office of Contracts and Purchasing Operations issued the CSB Phase II solicitation on May 21, 2003 via FedBizOpps. **The deadline for proposals was extended from June 23, 2003 to July 7, 2003.**

Community Partnership, HBCU Training: ED, FSA, the White House Initiative on

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Historically Black Colleges and Universities (HBCUs), and the National Association for Equal Opportunity in Education announced this week that they will be jointly sponsoring nine two-day workshops around the country during June and July. The workshops will provide training and technical assistance to financial aid and business office staff members at HBCUs. Topics to be addressed include verification; reconciliation and best practices, untangling the web, return of Title IV funds, and satisfactory academic progress.

CONTACT INFORMATION

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