



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: July 14, 2003

THE WEEK AHEAD

FSA Reorganization: Effective July 14, FSA is implementing its reorganization.

United Negro College Fund's (UNCF) Professional Development Institute: On July 15, FSA representatives will present at the United Negro College Fund's Professional Development Institute entitled "Strengthening Institutional Capacity at HBCUs." Participants will include presidents, chief fiscal officers, financial aid officers and institutional effectiveness professionals.

OPERATIONAL METRICS

Application Activities through July 6, 2003: The Central Processing System (CPS) has processed 8,424,820 applications for the 2003-2004 cycle, a 7.9% increase over the 2002-2003 cycle.

1-800-4-FED-AID through July 5, 2003: Year-to-date, the Federal Student Aid Information Center (FSAIC) has received 4,757,175 calls, a 3.4% increase over last year. Service levels have increased with 98.7% of calls completed, a 4.6% increase over last year and the average speed to answer reduced by 71.8% to 10 seconds.

FSA IN THE FIELD

The National Association of Student Financial Aid Administrators (NASFAA): On July 8, Terri Shaw presented to NASFAA's Board of Directors at their Annual Conference in Salt Lake City. Almost 50 FSA and OPE staff were in attendance at the conference to make presentations on a variety of topics to representatives of FSA's school partners.

San Francisco Partnering Meeting: On July 10, FSA and the Montana Guaranteed Student Loan Program co-sponsored a partnering meeting in San Francisco. The agenda included an update on Financial Partner Services, Lender/Guarantor reporting, and Voluntary Flexible Agreements (VFAs).

National Education Computing Conference (NECC) in Seattle: From June 30 – July 2, FSA's Student Aid Awareness (SAA) joined their Department of Education colleagues at the National Education Computing Conference (NECC) in Seattle, Washington. As one of the largest conferences of its kind, NECC provides K-12 and higher education professionals with a forum to learn, exchange ideas and survey advancements in the field of educational technology.

OIG, FSA, and OPE Reach Agreement on Foreign School Recertification Audit: ED's Inspector General, FSA, and OPE senior management reached consensus on concerns about an open recommendation contained in the September 2000 audit titled, "Recertification Process for Foreign Schools." This audit recommendation is one of the Management Improvement Team's original 661 management recommendations.

Business Continuity Plan (BCP) and COOP: The Department's Office of Management is coordinating the development of dynamic continuity plans for all principal offices and all contracting entities. The BCP focuses on sustaining an organization's *business functions* during and after a disruption. FSA will work with the ED Office of Management team on a Business Impact Assessment, Continuity Strategy Development, Testing, Training, Exercises, the Business Continuity Plan, the COOP and the Reconstitution Plan.

E-Gov/eLoans: On July 7, the eLoans team met with the DOL/GovBenefits team and OMB to discuss the growth of the eLoans Gateway as a "reading room" on the GovBenefits website.

E-Gov/e-Authentication: On July 2, FSA met with representatives from HHS, SSA, OMB, GSA and ED/OGC at the White House Conference Center to discuss an interagency pilot on the use of the FSA PIN for HHS Health Profession Student Loans. HHS and the E-Gov/eAuthentication team are interested in using the FSA PIN for an electronic signature process for both HHS and FSA student loan programs.

GAO Review of the Direct Loan Program: GAO is conducting a review of the Direct Loan Program aimed at evaluating (1) the program's use by students and institutions, (2) the strategies used to provide quality service to students and institutions, (3) the costs and benefits of the program and (4) the steps that Congress can take to strengthen and improve the program.

KEY ISSUES

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 1 million borrowers to make inaccurate monthly payments. FSA, OPE, OGC, and OIG met with Sallie Mae officials to discuss the problem and later briefed Under Secretary Hickok on policy implications and proposed options for resolution. FSA and OPE are meeting with Sallie Mae officials this week to discuss appropriate solutions.

Studentaid.ed.gov: On June 30, FSA's on-line guide for college-bound students and their families on planning and paying for college, studentaid.ed.gov, received 58,738 visits marking the busiest single day in the site's history. For the month of June, studentaid.ed.gov exceeded one million visits representing an increase of 85.7% over the previous month and marking the

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first time the site has exceeded one million visits in a month. The month over month growth is attributed to numerous factors including an AOL promotion and expanded FSA outreach efforts.

On July 2, Terri Shaw and members of FSA's Student Aid Awareness group met with OMB officials to gain approval for Release 2 of studentaid.ed.gov. On July 11, FSA met separately with OPA and representatives from the White House Office of Domestic Policy to review the site.

ON THE HORIZON

Common Services for Borrowers (CSB) Procurement: The Department of Education has received proposals from ACS Education Solutions and Sallie Mae, Inc. in response to its CSB request for proposals. The CSB Source Selection Advisory Committee is now reviewing the respective technical and business proposals. The Committee's objective is to complete its review on a schedule that will permit the Department to award the CSB contract by September 30th.

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.

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