

TO: Secretary Paige  
FROM: Acting COO Candy Kane  
RE: FSA Weekly Report  
DATE: July 22, 2002

### **THE WEEK AHEAD**

Nothing to report.

### **KEY NEWS**

**Acting COO/Chief of Staff to Retire:** Candy Kane, who is serving as Acting COO while Greg Woods is on sick leave, on July 17 announced her impending retirement from federal service. Kane has been with the government more than 30 years and has served as FSA Chief of Staff since December 1998, the inception of the Performance Based-Organization (PBO). Kane will retire August 16. Woods, who remains on sick leave, is scheduled to retire at the end of September. Successors have yet to be named.

**Child Care Provider Loan Forgiveness:** FSA is preparing for the 2002 application period for this demonstration program. The application period is expected to be announced at the end of July. The demo program provides loan forgiveness to a limited number of people with early childhood education degrees who go to work in childcare facilities in lower-income neighborhoods. It's intended to attract more highly trained people into childcare and help retain qualified providers.

An outstanding problem in the program is that Direct Loans forgiven last year have not been funded. FFEL loan forgiveness was funded.

**Audit of Oracle Federal Financials Implementation:** On July 16, FSA participated in an "end of survey" meeting to discuss OIG's revised objectives for this audit. OIG is looking at ED and FSA's implementation of Oracle Federal Financials, which set up ED and FSA's Financial Management Systems (FMSs). The actual audit phase is expected to begin this month with completion near the end of September. A draft report is expected by mid-October.

**OIG Review of Clinger-Cohen Compliance:** On July 15, OIG held an exit conference to discuss results of its review of how ED and FSA's enterprise architecture initiatives comply with the Clinger-Cohen Act. OIG said: (1) ED and FSA have made progress but critical steps haven't been completed, (2) ED and FSA's architectures are not integrated, and (3) data standardization between ED and FSA would improve compliance evaluation. A draft audit report is expected by the end of July.

**IT Risk Assessments:** FSA has received a number of IT risk assessments and is reviewing them to determine the cost and timeframe needed to remedy vulnerabilities. These Security Action Plans will feed into ED's annual security report to OMB in September. The plans must be completed by July 29-August 15.

**OMB e-Gov/e-Loans:** The e-Loans team has held individual agency meetings with Agriculture, the Small Business Administration, Veterans Affairs, Housing and Urban Development, and ED. A joint agency meeting is being scheduled to discuss cross-agency "value add" opportunities and how to engage private sector partners.

**Students.gov Interagency Website:** As of July 15, 5,841 people have subscribed to “InfoSource,” a subscription service that highlights the features of students.gov. Subscriptions are routed through a common subscription service associated with GSA’s FirstGov website, which includes 27 other cross-agency portal mailing lists.

**“Click. Click. You’re Done:”** This is the message e-mailed to thousands of Direct Loan borrowers to introduce the new e-services available on the Web site (<http://dlservicer.ed.gov>). Services include the ability to get and pay bills and receive correspondence online.

So far DL e-servicing has signed up 6,013 borrowers to pay their bills online, 9,491 to received e-correspondence, and 42,763 payments have been processed through the Web site (totaling almost \$23.2 million).

### **RESOLUTION OF KEY ISSUES**

Nothing to report.

### **PUBLIC AFFAIRS ACTIVITIES**

Nothing to report.

### **REGULATORY ACTIVITIES**

Nothing to report.

### **POLICY DOCUMENTS**

Nothing to report.

### **GRANT ACTIVITIES**

Nothing to report.

### **ON THE HORIZON**

**“My Yahoo” for DL:** Beginning July 29, borrowers will be able to view and pay their Direct Loan bills through portals like Yahoo, Lycos, or Bank of America. This option was made possible by a partnership with CheckFree, one of the largest “aggregators” in the industry.

**More Than 1,900 Participants for NDPD:** August 1 is FSA’s 2<sup>nd</sup> annual National Default Prevention Day (NDPD) and registration stands at 1,901. Workshops will be held in each of our 10 regional locations, plus Washington, D.C. and Puerto Rico. The full-day program, designed with FFEL and other community partners, is intended to better familiarize participants with the wide variety of default management and prevention tools.

### **CONTACT INFORMATION**

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

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