



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: November 17, 2003

THE WEEK AHEAD

Education New Parents Can Use: On November 18, Terri Shaw will be a featured guest on *Education News Parents Can Use*, the Department's monthly television series. The episode, entitled "*Education Beyond High School: Preparing Academically & Financially*," will explore the importance of education beyond high school and what students and families can do today to prepare for it.

GAO Audit - FSA's Progress as PBO and its High Risk Designation: On November 18, GAO scheduled an entrance conference to initiate a study to examine (1) FSA's progress in addressing areas that contributed to its high-risk designation (systems integration, financial management/internal controls, and program integrity), and (2) FSA's role as a performance-based organization and its efforts to reduce costs, increase accountability, and establish a comprehensive human capital plan.

FSA IN THE FIELD

Community Partnership, HBCU Roundtable: On November 5-7, FSA participated in a roundtable discussion entitled "How the Money Flows" with HBCU Presidents at the JPMorgan Fleming Financial Management Institute in New York City. The purpose of the session was to enable HBCU Presidents to more effectively oversee the financial management of their Institutions. Secretary Paige was also in attendance.

National Scholarship Service College Fairs: On November 8, FSA staff joined approximately 350 Florida high school students at the 2003 National Scholarship Service (NSS) College Fair in Miami. In all, NSS and the National Association of College Admissions Counselors will host 37 events across the country reaching approximately 150,000 students. FSA staff will be in attendance at all the events distributing information on planning and paying for college.

Virginia Partnerships for College Access Awareness Summit: On November 9 - 10, FSA's Student Aid Awareness (SAA) participated in the Virginia Partnerships for College Access Awareness Summit held in Richmond, Virginia. The Summit was designed to facilitate

Weekly Report to Secretary Paige
November 17, 2003

discussion of a Virginia College Access Network to coordinate statewide college access initiatives.

Missouri Association of Student Financial Aid Professionals (MASFAP): On November 9, FSA representatives presented the keynote address at the MASFAP Conference in Osage Beach, Missouri.

New Jersey Association of Student Financial Aid Administrators (NJASFAA): On November 11-13, FSA presented at the NJASFAA Fall Conference.

Iowa Association of Student Financial Aid Administrators (IASFAA): On November 12-14, FSA presented at the IASFAA Fall Conference.

Native American College Fair: In support of the Department's goal of increasing access to postsecondary education, FSA's Student Aid Awareness (SAA) is conducting an outreach campaign to raise awareness among Native Americans that federal student aid is available for college. As part of the campaign, SAA attended the Tulsa College Fair for Native American students.

Student Aid on the Web: For the month of October, *Student Aid on the Web* received 844,283 visits, 16,437,412 hits and 1,748,054 page views. For the same period one year ago, our website received 87,273 visits, 1,933,538 hits and 226,709 pages viewed. This represents increases of 867%, 750%, and 671% respectively.

Students.gov Website Usage: In October 2003, students.gov recorded 203,120 visitors representing approximately 5.0 million hits, a 234% increase in usage over last October. Based on current usage levels, FSA projects 2003 calendar year site traffic to increase 300% over the 2002 calendar year.

OPERATIONAL METRICS

Application Activities through November 9, 2003: The Central Processing System (CPS) has processed 11.4 million applications for the 2003-2004 cycle, a 7.9% increase over the 2002-2003 cycle.

Program Disbursements: Through the week ending November 8, annual Pell and Direct Loan disbursements reached \$11.6 billion and \$11.4 billion respectively for the 2002-2003 academic year and \$4.8 billion and \$4.8 billion respectively for the 2003-2004 academic year. Through the week ending November 12, annual FFEL disbursements reached \$28.5 billion for the 2002-2003 academic year and \$10.3 billion for the 2003-2004 academic year. Through October, annual Direct Consolidation Loan disbursements reached \$685 million.

Total Default Recoveries: Through November 7, total FSA default recoveries for FY04 reached \$165 million, up 34% year to date. Total non-consolidation recoveries reached \$140 million, up 39% year to date. Combined Recoveries from our private collection agency efforts reached \$136 million, up 26% year to date.

Weekly Report to Secretary Paige
November 17, 2003

While we are still awaiting the final year-end figures from Kentucky, Vermont, and New Jersey, preliminary estimates show the FY03 guarantee agency combined recoveries reached \$3.8 billion. Total non-consolidation recoveries during the same period reached \$1.86 billion. So far, combined recoveries for guarantee agencies and collections are over \$5.4 billion.

1-800-4-FED-AID through November 8, 2003: Year to date, the Federal Student Aid Information Center (FSAIC) has received 7.6 million calls, a 0.2% increase over last year. Service levels have increased with 99.0% of calls completed, a 2.8% increase over last year and the average speed to answer reduced by 66.2% over last year to 8 seconds.

Direct Loan Servicing Call Center Phone Activity through November 7, 2003: Year-to-date, the Direct Loan Servicing Centers received 5.71 million calls to the Interactive Voice Response System, an increase of 0.86% over calendar year 2002. Of the calls received, Borrower Services representatives handled 4.13 million calls, an increase of .41% over 2002. The average speed of answer was 6.61 seconds, a decrease of 17.1% over 2002. The resolve rate for the Voice Response System was 27.88%, an increase of 1.51% over 2002.

KEY ISSUES

Greentree Gazette: Last week, the Greentree Gazette, a higher education business magazine, spent two days at FSA interviewing Terri and her management team for the January cover story.

2004-05 Student Guide: The 2004-05 edition of the Student Guide is complete and available to those requesting copies. This annual publication explains our federal student aid programs. This year, FSA will print over 8 million copies and will also post the publication to *Student Aid on the Web*.

Consolidation Loan Costs: The unit cost of making a consolidation loan continues to decrease. The consolidation contract costs were renegotiated in July 2003 for FY04. During FY03, the average cost to make a consolidation loan was \$71.01. During October, the first month of FY04, the average cost dropped to \$66.71, saving \$4.70 per loan and a total of \$143,162 for the month.

E-Gov/eLoans: On November 12, OMB approved the vision and funding strategy for FY 2005. The recommendations will go forward this week to each partner agency's Resource Management Office. A short write up on this project will appear in the FY 2005 President's Budget.

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 and OGC are reviewing policy implications and options for resolution.

ON THE HORIZON

The 2003 Electronic Access Conferences: From December 1-5, FSA will host over 1,800 financial aid professionals in New Orleans, LA for the second of two Electronic Access Conferences (EAC). The conferences provide attendees with training and updates on Title IV

Weekly Report to Secretary Paige
November 17, 2003

programs. Earlier this month, FSA hosted almost 1,900 financial aid professionals at the first EAC in San Diego, CA.

California Community College Student Financial Aid Administrators Association

(CCCSFAAA): On December 12-14, FSA will present at the CCCSFAAA Annual Conference.

California Association of Student Financial Aid Administrators (CASFAA): On December 14-16, FSA will present at the CASFAA Annual Conference.

Coalition of African American Professional and Community Organizations: On February 13, 2004, FSA representatives will present to the Coalition of African American Professional and Community Organizations at the 4th Annual Career Expo and College Fair.

CONTACT INFORMATION

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

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