



UNITED STATES DEPARTMENT OF EDUCATION

Federal Student Aid

Terri Shaw's Remarks to the Staff of FSA at the All-Employee Meeting October 21, 2003

Good afternoon everyone, and welcome to the second gathering of the entire FSA staff – an opportunity for us to get together, to review our progress since we last met about nine months ago in January to celebrate our accomplishments, and to discuss our priorities for the coming year and beyond. I do have some prepared remarks, but I will try and keep them short so that I have plenty of time to do what I like doing best, which is just talking with you about any issues that may be on your minds, and answering any questions you may have.

Thank you, Marianna, for getting us started this afternoon, and my thanks to all of you here in the audience and in the regions for joining me today.

Right from the beginning, I want to say that I believe what we do here at the Office of Federal Student Aid is some of the most important, most valuable work in the federal government.

I know it's tough. And I know that it's hard sometimes to see the big picture. But the fact of the matter is that we help millions of Americans get an education. We make a real difference in the lives of millions of American families. By raising awareness, increasing access, streamlining processes and finding efficiencies, we are able to deliver over \$60 billion in aid at low cost and with considerable benefits to over nine million students annually. Paper processes are disappearing, replaced by electronic web-based applications serving more students with greater accuracy in less time. FSA outreach activities touch millions of people annually. And, the National Cohort Default Rate on student loans has fallen to 5.4%, its lowest rate in the history of the program.

At FSA, our goal is to get the right aid, to the right student, at the right time. Unfortunately for students, a complex and generally misunderstood process remains. Needless to say, annually coordinating the timely and accurate distribution of \$60 billion in grants and loans funded by the U.S. government and 3,600 different lenders who are monitored by 36 guaranty agencies and serviced by 27 different organizations to over 9 million students attending nearly 6,200 different schools, can be difficult.

Each of you in the role that you play, contribute to making a difference. And many of you go above and beyond the black and white of your written position descriptions to make a difference. I would like to highlight one such example for you.

Case Management's Nancy Klingler read a letter to the editor in the Ocean City Sentinel about a young woman, Anna denDulk, who's aspirations of attending George Washington

University were placed in jeopardy because her awards package was withdrawn. It would have been very easy for Nancy to do nothing, but Nancy was appalled and took action. FSA staff contacted George Washington University on Anna's behalf and on that very same day, Anna's financial aid package was reinstated. Today, Anna is attending George Washington University.

Thank you Nancy, for caring, for understanding that you had the ability to help, for demonstrating leadership, for contributing, and for making a difference.

Last January at this meeting, I talked to you about our priorities, our 2003 Performance Plan, and I shared with you how we developed our Plan. Obviously, in an organization of this size with the mission that we have, the annual plan is big, complex and occasionally overwhelming. In January, it took me 36 PowerPoint slides just to summarize, and that's about all anyone can take in one sitting.

Well, we just wrapped up our work against all of our 2003 objectives and goals. As you know, our top three priorities have been, and will continue to be, to run our daily business operation flawlessly, obtain a clean financial audit opinion, and to remove the federal student aid programs from the GAO High Risk List. So how did we do in 2003?

As many of you have observed over the past year, I have a particular affection for numbers and "doing the math". "Doing the math" means drilling in on what something is going to cost, and what value it will return to student and parents, our school, lender, or guarantor partners, the FSA organization, the Department, or the American taxpayer. And I have developed a bit of a reputation around here for carrying a calculator with me to meetings. In fact, I have noticed many of you starting to tote your calculators to meetings to do the math yourselves on whatever we may be discussing. So, if you will indulge me for just a few minutes, I'd like to review some of the math around running our business in 2003 with you:

slide one

13 million: That's the number of FAFSA forms we are projecting for the 2003/2004 year, with over 70% completed electronically. In 2002/2003, we processed 12.2 million FAFSA's.

9 million: That's the number of students who received aid under FSA programs in 2003, an 11% increase over the previous year;

60 billion dollars: That's what we delivered in total new federal aid in 2003.

26 million: That's the number of payments we processed from direct loan borrowers totaling \$11.6 billion.

36 million: That's the number of customer service calls we handled last year, or the equivalent of 4,109 calls an hour, every hour of every day and this is an 6 % increase over the previous year;

321 billion dollars: That's the amount of federal student loans currently outstanding in 2003.

Over 5.1 million students will receive Federal Pell Grants totaling \$12.5 billion dollars --- federal dollars earmarked for those students most in need, and a 7% increase from FY 2002.

Slide two

Anyway you look at it, these are astounding numbers, and we have much to be proud of. I love this next chart. Look at us compared to the Gross Domestic Product of some European countries. I think that both Sweden and Norway would certainly attest to the size of FSA's operations.

Last year, for the first time since 1997, FSA and the Department received clean audit opinions on our fiscal year 2002 financial statements. With the Administration, Congress, the General Accounting Office, and any number of watchdog groups taking a hard look at our ability to ensure effective financial management and control, I can't overstate how important that is, or how important it is that we meet that standard for Fiscal Year 2003, and every year that follows. We are in the last few weeks of the FY 2003 audit, on a schedule that is accelerated three months earlier than last year's schedule. FSA's CFO, Vicki Bateman, and the CFO team working with many of you across the organization are devoting every ounce of energy and expertise to this audit. I am confident that this dedication and hard work will result in clean opinions for us again in FY 2003.

This is very important to our ability to remove the federal student aid programs from the GAO High Risk list. As you know, programs that are on the High Risk List have been deemed to be prone to waste, fraud, abuse and mismanagement. As far as I'm concerned, those are dirty words, and I don't want them associated with FSA. We've been on the High Risk List since 1992. It's not because we don't work hard. It's simply that our work is hard. But a decade is long enough. Since the list was first generated, only 13 programs and agencies have been removed. I want the federal student aid programs to be number 14.

As you know, GOA declined our request to review the federal student aid programs out of cycle this past fiscal year for two reasons. One, GAO's already established resource and review plans would be disrupted; and two, we need to demonstrate our sustained capabilities in effective financial management and control by obtaining a second clean audit opinion. Nonetheless, we are encouraged that our efforts and many performance and process improvements were recognized in GAO's response to us, and we are confident that the January 2005 report will remove the federal student aid programs from the High Risk List. And I look forward to seeing the headlines in the morning papers,

when we prove our critics wrong. I also want to thank Linda Paulsen, for her tireless efforts to keep FSA focused on this objective across the enterprise.

By achieving our top three objectives alone, we would go very far to demonstrate that we have met our chief goal and the most important expectation: To deliver the right aid, to the right student, at the right time.

We cannot rest, and we must not be satisfied, with accomplishing just our top three priorities. We must look to and prepare for the future, for the next generation of innovation, for the next **WOW!** in the delivery of federal student aid. And that is exactly what we are doing. In accordance with our Performance Plan last year, in 2003 we established and began the first phases of work on several multi-year strategic initiatives. These include, among other things, our Data Strategy initiative, the integration of our front and back-end business functions through our Common Services for Borrowers and Front-End Business Integration initiatives, and the reengineering of our Case Management and Oversight function.

Slide three

I get very excited when I talk about our data strategy project and ok, it is true, this is a pet project of mine. The success of our data strategy initiative is fundamental to the future of our federal student aid systems. The goal of this project is to ensure that accurate and consistent data is exchanged among FSA systems and all our partners, the schools, lenders, guaranty agencies and the student as well as the multiple Department systems we work within. Our efforts to define and execute against the multi-faceted set of strategies that are deliverables under this project is very definitely going to help us get the right aid, to the right student, at the right time.

In 2003, as part of our creating several enterprise level teams and focal points, the business and technology integration group, fondly called the BIG, was established. It is a cross-functional work group led by and comprised of senior career staff and some of FSA's most respected subject matter experts. The BIG, conceived of by Kay Jacks and led by Jeanne Saunders, works very closely with the Data Strategy team. In fact, there are several people who are on both teams. One of the BIG's first tasks was to understand and document our business cycle through 2007 in relation to all of our strategic initiatives and our contract environment.

Slide four

Take a look at this next chart that the BIG put together. Can you believe how messy and complicated "this thing" looks? But "this thing" is actually our student loan delivery time line and each of those boxes is a partner or an event or a trigger to the multiple tasks that must be accomplished to successfully deliver student aid. We are all a part of this chart. In fact, where we are today is that vertical red line you see there. I think you can see how streamlining the exchanges of the data among all our systems and trading partners will dramatically reduce errors and cut costs for our programs. Special thanks go

to Keith Wilson and Jeanne Saunders for their leadership and to their teams for the excellent work they are doing.

In addition to establishing the Business and Technology Integration group in 2003, we also established an enterprise focus on our operational performance. We developed metrics for monitoring and reporting business operations to enhance internal control and to improve decision-making. We created a weekly dashboard of these metrics, creatively called the Dashboard which comes out every Thursday. We also established in-house project management capabilities through the creation of a Project Management and Oversight Office. And we have developed a Procurement Strategy and Plan and are building our Contract Management Services Team to better manage our contracts and vendors.

We also began a design and sequencing plan for reengineering our current case management and oversight function and plan to begin implementation in 2004. That project called, e CMO, is a huge undertaking and it will reengineer how we perform our oversight and compliance functions in our ten regions and in Washington for our 6,000 plus schools. I am very proud of Victoria Edwards and all of the CMO staff who have thrown themselves 100% into this initiative.

Our Common Services for Borrowers initiative, known as CSB, is close to award and I am told we can anticipate an announcement in early November. This is another significant event for us, merging FSA's servicing, consolidation, and collection functions into a common platform for our back office support systems. Two vendors are bidding on this contract - Sallie Mae and ACS. CSB will yield significant cost savings, significant customer service improvements and significant business process improvements. The CSB team has worked off site for months to make this contract a reality. If you haven't seen one of your co-workers in the last couple of months, it probably means they are working on this project. Thank you to the CSB Team for all your hard work and we look forward to your return to your regular jobs.

We launched the new and improved Student Aid on the Web on October 1st announcing the web site and its new features in a news videoconference. This is a WOW product and the new features really differentiate us from other planning and paying for college websites. This site helps students and families choose a school, research majors, learn about careers, apply for scholarships and complete their FAFSA. I understand that in November we are showcasing our site to members of Congress and their staff so they can demonstrate the benefits of our web site to their constituents. Stay tuned as we continue our outreach efforts about Student Aid on the Web and FSA's good news regarding tools to help American families pay and plan for college. Jennifer Douglas and Mary K Muncie, made this new web site a reality. Thank you and your team for all your efforts.

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COD, our Common Origination and Disbursement platform, continues to be a major initiative for us. We were in a post implementation phase for most of 2003 and refining

and improving the system are top priorities. This next chart explains why COD is so important. Look at how big we are. In 2002 our origination volume was bigger than the combined volume of the top five FFELP lenders. Rosemary Beavers and her team are well aware of how important COD is to our customers and they work diligently with the schools to make this system work.

Slide six

Of course, I can't finish my remarks about FSA's 2003 accomplishments without highlighting some of the FAFSA processing stats. It was another success story for us. We anticipate processing approximately 13 million forms this year, one million more than last year. But the bigger news is how many FAFSA's will be filed electronically. We anticipate 70% will be filed electronically in comparison to last year where 60% were filed online. Jeanne Saunders and her team have worked so hard and continue to work with the student aid community to streamline the FAFSA process for students and their families.

We also reorganized to ensure we had the best organizational structure to support and accomplish our objectives. The reorganization was effective in July and I want to recognize the special efforts of those that made this happen. I want to thank Calvin Thomas, John Mondragon and, in particular, I understand that Julie Mattingly and Lisa Gilbert and all the HR representatives in the channels and in the regions spent many long hours administering this reorganization. The implementation of this reorganization was a high priority for me and for FSA so that we could be properly aligned for the work that we need to do. I very much appreciate everyone's efforts in making this happen.

We challenged ourselves in 2003. And the FSA team rose to this challenge and performed very well against our plan. We accomplished nearly everything we set out to do. And best of all we did it with the expertise, skill, talent, and leadership of the FSA staff.

I want to thank all of you for your hard work this past year. Others have also recognized your efforts. On more than one occasion the Secretary has indicated to me that he is very appreciative of the hard work you all do and that he is immensely impressed by the quality of your work. Recently, I was invited to the White House to meet with Margaret Spellings, the head of the President's Domestic Policy Council. I had never been to the White House before and I can tell you that it is quite humbling. I was getting shorter with each step I took approaching the West Wing. By the time I got to the door I was about 8 inches tall. When I arrived and met Margaret, she said, "I bet you are wondering why you are here." To which I answered, "The thought had crossed my mind." She said that the White House had been hearing rave reviews about the work FSA is doing and she wanted to thank us and learn more about some of our initiatives and ideas for simplifying the delivery of student aid.

Slide seven

In addition to providing talking points about federal student aid delivery, I was also asked to provide a chart of the student aid delivery process from the student's perspective. Here is what we shared with her. Oddly, we had many student aid delivery charts from many different perspectives but we didn't have a unique chart from the student's view. Now we do. Let me show you how this chart started.

Slide eight

This is what Paul Hill got to work with only a few hours to make it make sense before it had to go to the White House. Thank you, Paul, who once again used his incredible talent and skill to create the perfect visual for a very complicated process. Paul, you are a true artist and I yield the Powerpoint keyboard to you.

While I serve as the Chief Operating Officer of FSA, I know that the real work is performed by all of you, and I only wish that each and every one of you could have been with me to hear the praise for our office. You deserve the recognition and I congratulate all of you!

I believe we at FSA have a special responsibility as the federal government's first Performance Based Organization, because I think we have an obligation to make the model work.

As a PBO, part of our mission is to improve the government's performance and give the American people confidence in the work we do. I think we all know that a lot of people are watching us. And while that's a little intimidating, it presents as much of an opportunity as it does a challenge.

And here's why:

As a PBO, we have flexibility and freedom unprecedented in the federal government. In return for meeting high performance standards, we are empowered to try new approaches and find creative ways to get the job done. We are encouraged to be innovative. Simply put, we've been given the rare opportunity to set new standards and to set an example.

Thanks to you, we've come a long way already. We have made the complicated but crucial transition from a paper-based loan application process to an electronic process. We refined and improved our debt-collection procedures in a way that both improved results and saved money. We enhanced our collaborative efforts with schools, guaranty agencies, and lenders to reduce the likelihood of default in both the guaranteed and direct student loan programs. We initiated controls to ensure program integrity at every level and received a clean audit. We began the first phases of several multi-year strategic initiatives, including Data Strategy, Common Services for Borrowers and the reengineering of the Case Management and Oversight functions. We conducted multiple training conferences reaching thousands of financial aid officers and continue to refine and improve our outreach efforts.

We recently completed putting together our FY 2004 Performance Plan. This Plan is really divided into two parts: our Baseline Operations and our strategic initiatives. Last year we failed to specifically call out our baseline operations activities. As you know, the bulk of our staff and our operating budget are devoted to running our baseline operation. It is what most of you do each day. This year we tried to improve the statement of our Performance Plan and included all of these activities, as well as our strategic initiatives. All of our multi-year strategic initiatives which we started work on in 2003 continue in our 2004 plan. Your management will review our 2004 Performance Plan with you over the next few weeks. You should be able to see how your work ties to our Plan. If you don't, please let your manager know, it probably means that we missed something in our baseline operations functions and we want to make sure that it gets included. I want all of you to be able to relate to our performance plan and to see how you fit in and are part of making FSA successful.

Our work over the next few years is cut out for us and it won't be easy. The bad news is that we can pretty much expect that our operating budget will be flat or reduced, year after year. At the same time, our workload is certain to grow as more students participate and the volume of awards increases. We must reduce costs. That is simply a reality today. We need to continue to reengineer our complex business processes and identify appropriate technology solutions to reduce costs and to better deliver our products and services. We all need to be thinking about how we can streamline what we do; how we can use technology to reduce our baseline operation costs; and, how we can improve productivity to free up dollars for investment in new development. I am convinced that we can find ways to do the job better, for less. And I challenge each of you to critically examine every aspect of what you do to identify opportunities for savings and improvements.

Regardless of what role you play within FSA, we need your input on what works, and what doesn't. We must pursue anything that will make our systems run more smoothly, that will better coordinate our operations and that will improve our service and communications with our partners and the American families that count on us.

For example, after being tasked with an aggressive 24 month guaranty agency review schedule, Financial Partners' four regional directors, Linda Elrod, Ann Maria Fusco, Mirek Halaska, & Roberta Russo recognized the efficiencies that could be gained from developing national review teams. The result is a more efficient, consistent and effective review process at a lower cost, leveraging a nationwide network of subject matter experts.

That is a great reengineering effort with a great outcome. Thank you Financial Partners staff.

The process to apply for, receive and pay back federal student aid can be simplified. We need to do more to streamline the process to make it less burdensome for students and families.

We significantly simplified the format and usability of the FAFSA but we can do more. On average, it takes approximately three days to process an electronic FAFSA application. Real-time eligibility determination is an opportunity to simplify student aid delivery, even further.

A student applying for federal student aid must provide over 100 distinct data elements and complete three supporting worksheets to file the FAFSA. In comparison, that same student is only required to provide less than 20 data elements to file their personal income tax using the 1040EZ form and answer 32 questions to obtain a credit card (Citibank). The FAFSA is the single source of information for Federal and state student aid eligibility. We need to work to reduce the amount of data required.

We need to simplify the eligibility process for our neediest students (low income, minority and first generation college-bound). Reported annual incomes falling below a given threshold could be fast-tracked, thus eliminating the need to provide unnecessary information. The current "simplified needs test" and "enhanced Expected Family Contribution calculation" are a good start. However they need to be modified and we need to find other ways to simplify eligibility determination. For example, a student from a low-income family should be able to re-apply for aid without going through the full comprehensive application process. Basing eligibility for student aid on a family's eligibility for other means-tested programs such as food stamps and welfare also needs to be examined.

The existing Federal student aid school identification system is cumbersome and inefficient. Implementation of a unique identifier for schools would reduce errors, cut costs and expedite the student aid delivery process.

The student aid delivery process is complicated by a complex and often competing set of laws, regulations, and requirements. FSA must promote the standardization of Federal and state legislation, regulation and requirements of student aid organizations including lenders, servicers, guaranty agencies and schools, to reduce the burden to students and families and simplify the student aid delivery process.

We need to continue to ensure the integrity of our programs. Nothing is more important to the success of this organization than the delivery of federal student aid – directly or through school, lender and guarantor participants – without fraud, waste or abuse. At FSA, our goal is "to deliver the right aid, to the right student, at the right time." The only way to accomplish this objective is to have reliable and dependable processes, management and use of our data assets, integrated and robust systems to administer the federal student aid programs, and skilled staff who are experts on our programs, our processes and our systems.

With respect to the latter, I would like to recognize Patricia Edelson, from our New York office for her exceptional work on the Career Beacon Institute case. Patricia provided her considerable expertise to the Office of Inspector General investigative staff, whose work led to multi-jurisdictional prosecutions. Although Patricia did not know it she with the

entire team who worked on this case, was nominated for and received this past week the prestigious President's Council on Integrity and Efficiency Award for Excellence. On behalf of the Secretary, the Department, and all of FSA, congratulations Patricia. We are very proud of you!

While FSA has increased overall program integrity, opportunities exist for continued improvement.

We currently work with designated Federal agencies to verify certain student eligibility criteria. We need to expand these efforts with relevant Federal agencies to provide integrated, real-time data in a secure environment. Such data exchanges will enhance and streamline the verification and validation process while reducing burdens and barriers to students and families.

We must expand our partnership with the IRS to fully leverage data exchange opportunities resulting in a more accurate and efficient aid eligibility process.

We must make better use of our data as an asset to help us make better decisions and improve program oversight. To do this, we must develop more effective partnerships and work more effectively with other governmental organizations and the private sector. We need to not only improve our programs and partnerships, but to continually monitor them to make sure that we are delivering on our promises.

Reauthorization of the Higher Education Act is well underway with the Education and Workforce committee of the House of Representatives taking the lead. A bill on Title II - teacher quality has already passed the full house, while bills covering title VI - international education and Title VII - graduate education will be on the House floor this week.

Two other bills - Expanding Opportunities and College Affordability have been introduced. The Department has been providing technical advice and suggestions on these bills but we have not taken any formal positions.

It is expected that a bill dealing with Title IV - the most important issues to us - will not be drafted until next year. Obviously, the House is trying to get the easier stuff out of the way first.

The Secretary has been meeting with the President and White House staff to discuss priority issues, which we will hear more about as agreement is reached on certain positions. Clearly, issues of access, affordability and accountability will be key areas to be addressed. As I mentioned, the White House staff has specifically asked me for our views on simplification so they do understand that we are managing a complex system and they are very interested in any ideas we may have related to simplifying the aid process for students and families.

We must continue to focus on customer satisfaction. We recently completed the 2003 Customer Satisfaction Survey using the American Customer Service Index as the scoring vehicle, as FSA has done in the past. We measured FAFSA on the Web, Direct Loan Servicing, COD, and LAP and LARS. I am pleased to share with you that our customer satisfaction score for FOTW is second only to Amazon.com's score. And our Direct Loan Servicing score was better than Wal Mart's. Our Direct Loan Customer Call Center score was highlighted as being world class. While our scores on COD and LAP and LARS were not as high, and predictably so since they are relatively new systems, they were respectable. However, we need to do more. Our business processes and systems must be designed to be user friendly. We must be responsive to our customers when they need our assistance. We must provide reliable 24 x 7 access to information. We must continue to provide self-service platforms like our new website, Student Aid on the Web, that allow customers to get the information they need in a way that is most useful to them. If one student, one parent, one school, one lender, one guarantor, or a single American taxpayer is not satisfied with the service provided by FSA, then we must not be satisfied. Sometimes it is the simple things that count most. Return your phone calls and emails, respond promptly to requests and questions, listen to the customer's issue, and follow-up to make sure the issue has been addressed to the customer's satisfaction.

Of course, it is a daily experience in the Ombudsman's office to deal with complicated student cases. Here is a direct quote from one satisfied customer that really defines a successful FSA customer service encounter. "Connie Jesse has definitely gone over and above the call of duty. I hope you are aware of what an asset Connie is. She reviewed and verified the situation, offered suggestions and came up with the best solution. A simple thank you does not seem enough."

With all of our plans in place for 2004 and much of the work already underway, it now comes down to all of you, working together, to ensure our success. And it comes down to me and the leadership of this organization to support you in accomplishing your daily work and in realizing your career aspirations. We need to work as a team. From time to time, things won't go exactly as we all would have liked. When that happens it is important that we examine the what, rather than the who, of what did not work, to ensure that we do not repeat the failure. This is not to say that we are not accountable individually and collectively as a team for our performance.

We need to communicate freely and effectively. That begins with me. I will continue to visit the regional offices on a regular basis. I really enjoyed each visit and I thank all of the regional offices for their hospitality this past year. I will continue to meet monthly with all of FSA management together. And I will wander the halls of Union Center Plaza as much as I can to talk to you and to see what is on your minds. I want this to be an organization you take pride in. I want you to know that you are not just working a job, but building a career. And I will do everything I can to make sure you have the support and opportunities you need to succeed.

One exciting new initiative I am pleased to announce is the opening of our Career Zone. For two years, we've planned to bring career counseling services to FSA through the

Career Zone – their services were part of the original vision, announced in presentations in Washington, DC and in regional offices. Our work environment is changing – the President's competitive sourcing initiative, executed through the Department's OneED project, the recent reorganization, as well as routine workforce alignment, all may affect the way we do business in the future. We are committed to supporting our staff in achieving career goals and success by providing career management resources. All of us need to take ownership of our careers – and ownership begins with understanding our skills and making the most of them. The Career Zone will become the central point of access for individual career development. We've entered into a contract with RCI, which delivers career services to the Departments of Defense, Agriculture, Labor, Housing and Urban Development, and the General Services Administration. The grand opening of Career Zone is expected to be in November. Stay tuned for more details.

I know that to many of you, I am still a new face around here. It is, after all, a fact of life in government that people move in and out at the top levels while the work just goes on for everyone else. But I know, too, that you are the heart of this organization, and that it is because of your expertise and commitment that we succeed and that the system works for 9 million students every year.

And yes, as I have made abundantly clear, I have high performance expectations – for myself, for each of you, and for the work we do together. I expect diligence, accuracy and competence. That's the bottom line. And I believe that we only truly succeed when we go beyond expectations.

The work we do together must transcend the individual. It must continue regardless of the comings and goings of leadership or of any single person. I believe each of you can be a leader, no matter what your position or your title. I want you to have the tools and education you need. We will develop a comprehensive human resources program that allows our employees to take fuller advantage of special assignments, job rotations, and coaching and mentoring.

Here's one example of how an FSA employee, currently not a manager, is taking a leadership role in a complex and demanding environment. Holly Hyland is leading the effort with the student aid community to develop common standards for student aid data elements. No easy task, as many of you are well aware, this diverse group does not always see eye to eye. Holly's leadership is essential to bringing the group together and to ensuring the best results. Thank you Holly for your tireless effort at streamlining the complex student aid delivery process and for the example you set for the rest of the staff and the outside community.

I also want each of you to make an investment in the process, to identify problems and share your ideas, and to go the extra mile to get the job done. I want you to be challenged, every day. I respect your expertise. And if something isn't working, I want to work with you to make it work.

Terri's Remarks to Employee
October 21, 2003

Nearly a third of our workforce will be eligible for retirement in the year or so. For those of you nearing retirement, I want you to feel good about your government service when you do retire and want especially for you to feel good about it while you are here. I want FSA to be a place that attracts and retains the highest caliber of employee, whether it is someone just starting his or her career, or it is someone mid-career who is seeking new challenges, or even someone who may be nearing retirement but is having second thoughts about it. That will do more, perhaps, than anything else to ensure the continued success of this organization.

Working together over the next several years we will surpass our success in 2003. Credibility and respect –they are so incredibly hard to earn, but so very easy to lose. FSA has credibility. FSA has respect. And we are not going to lose either. We will continue to challenge ourselves in 2004. We owe this to students and parents, to our school, lender and guarantor partners, to the taxpayers, and to each other.

Henry Ford once said that you can't build a reputation on what you are going to do. You build a reputation by doing. The achievements of this organization will be the result of the combined efforts of each individual, and we will all share in the satisfaction of making a difference, if even to only one person, as Nancy Klingler did for Anna denDulk.

My many thanks to you for being here today, and to those of you who have joined us remotely, for your efforts, your energy and your commitment to do more.

Now, let's spend the rest of our time talking with each other about whatever is on your minds today.

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