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# EXPERIMENTAL SITES INITIATIVE

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**“I think this has been one of the most successful initiatives on the part of the Department that I have seen in my 30 plus years in this profession.”**

***R. Todd Morriss, Director of Financial Aid (Former), Southwest Missouri State University***



# *Introduction*

Jackie Bannister

U.S. Department of Education

Francine Reeves

U.S. Department of Education



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## *Session Objectives*

- Understand the purpose of the Experimental Sites Initiative
- Review the impact of the Experiments
- Share Institutional perspectives and results
- Submitting an idea



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*.....we listened!!*



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# WHAT THE PROGRAM IS!

- An opportunity to test new and innovative ways of administering Title IV aid.
- An opportunity to provide better services to student and improve stewardship of federal funds while providing the Department with data to support broader policy initiatives.



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# PURPOSE

- Provides relief from regulations that do not seem to be meeting the intended purposes;
- gives flexibility to test different procedures to carry out the intent of regulations;
- Provides ED with data based information on whether or not certain regulations make a difference in ensuring the integrity of Title IV Programs.



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# Section 487 A(b)

## *Exempt*

- Statute
- Regulations

## *No Waivers*

- Need Analysis
- Award Rules
- Grant and Loan  
Maximum Amounts



# WHO ARE THE PARTICIPANTS?

- Public institutions
- Private institutions
- Community colleges
- Consortia



# THE EXPERIMENTS

**Institutions are conducting experiments in areas that are grouped into categories:**

- **Loan Management - 6 experiments**
- **Award Packaging – 3 experiments**
- **Specific Areas – 4 experiments.**



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## *Current Experiments*

- Entrance Loan Counseling
- Multiple Disbursement for Single Term Loan
- Overaward Tolerance
- Credit Title IV Aid to Institutional Charges
- Ability-to-Benefit
- Thirty-Day Delay for First-time, First-year Borrowers
- Loan Fees in Cost of Attendance
- Loan Proration for Graduating Borrowers
- Credit Title IV Aid to Prior Term Charges
- Exit Loan Counseling
- **Academic Term\***
- **Federal Work-Study Payment\***
- **Federal Work-Study Time Records\***

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# Approved Experiments (1)

Experiment

Participating  
# of schools

Loan Proration	89
Multiple Disbursement	87
30 Day Delay	70
Entrance Loan Counseling	60
Loan Fees in COA	56



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# Approved Experiments (2)

<u>Experiment</u>	<u>Participating # of schools</u>
Overaward Tolerance	39
Exit Loan Counseling	51
Credit Aid To Institutional Charges	30
Ability to Benefit	23
Credit Aid To Prior Year Charges	19



# Approved Experiments (3)

<u>Experiment</u>	<u>Participating # of schools</u>
FWS Time Records	2
FWS Payments	1
Academic Term	1

**These Experiments have ended.**



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# *Benefits*



## Institutions Report:

- ❑ Improved cash flow for students
- ❑ Expedited financial aid delivery
- ❑ Improved student service; more time for financial aid counseling and less time on unnecessary paperwork



# SUMMARY OF BENEFITS

- **Customer Satisfaction**
- **Employee Satisfaction**
- **Reduced Unit Costs**



# *Federal Register Notice*

*June 5, 2001*

<http://ifap.ed.gov/fregisters/FR06052001.html>

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# WHAT IS THE ANNUAL REPORT?

- WHEN?
- WHY?



# Ex Site Reporting

Institutions report - -

- Quantitative and qualitative results about experiments covered in PPA.
- Annually by October 1st.
- To the Performance & Accountability Improvement Branch.



**NEW**

**2000-2001**

# Enhanced Report Templates

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# Enhanced Report Templates

## Experimental Sites Initiative

**Institution**

**Experiment**

**Multiple Disbursement for Single Term Loan**

**Reporting Year**

**2000-2001**

**Goal of the Experiment:** To evaluate the enrollment and withdrawal patterns of students benefiting from disbursing single term loans in one disbursement.

**Target Student Population:** Students who received single term loans in one disbursement.



### Reporting Items

<b>1</b>	Provide description and brief rationale on how the institution is conducting this experiment. Please select one of the description worksheets at the bottom on the status bar.	
<b>2</b>	Number of students with single term loans.	
<b>3</b>	Total amount of loan funds for students in (2).	
<b>4</b>	Number of students withdrawing before midpoint of term.	
<b>5</b>	Total amount of Title IV loan funds returned to Title IV for students withdrawing before the midpoint of the term.	

### Supplemental Items (Optional)

- Estimated savings in administrative hours.
- Estimated savings in administrative

**Conclusions about this experiment:**



# Outcomes

- **Multiple Disbursement for a Single Term**
  - ✓ Withdrawal rate for students with single term loans is minimal.
  - ✓ Overall average percentage of students who withdrew after receiving a single disbursement was 1.3%
  - ✓ Average of 98% of students complete the term.
  - ✓ Fluctuations to institutional default rates are also minimal.



# Outcomes

- 30 Day Delay for First Time, First Year Borrowers
  - ✓ Average number of students in this category withdrawing within 30 days of enrollment was 0.5%.
  - ✓ No negative impact on institutional default rates.
  - ✓ Total average amount of Title IV returned by an institution for such withdrawing students was nearly \$8,500.



# Outcomes

## Loan Proration for Graduating Borrowers

- Average # receiving non-prorated loan across institutions was 203
- Average number of those students who withdrew was 4
- Overall % of these students who withdrew was 1.8%
- Average # with prorated loans across institutions was 76
- The average number of withdrawals was less than 1
- Overall % of students who received prorated loans who withdrew was 0.6%



# Outcomes

## ■ Overaward Tolerance

- Average # of overawards (161) compared to the total # who received FFEL/Direct Stafford loans (8194) was a minimal 1.9%.
- Majority of overawards occur in the 200-300 range.



# Outcomes

## ■ Loan Fees in COA

- Overall institutional average amount of loan fees for FFEL/Direct loan students is \$233.
- Schools reported that this experiment reduced the debt burden of 84% of students who received FFEL/Direct Stafford loan funds at their institutions.



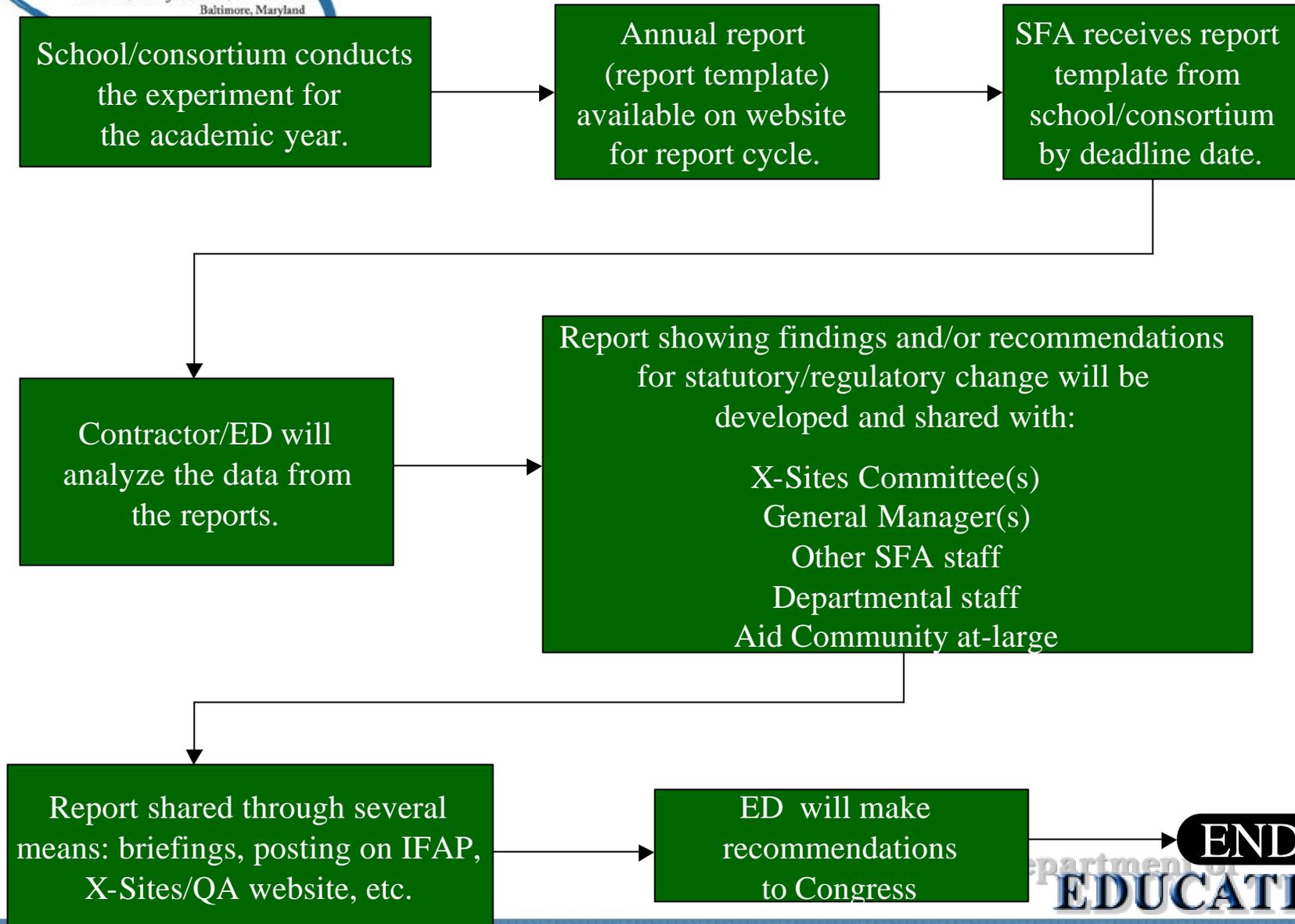
## *Future Plans*

- Work with ED (OPE) to develop the next steps
- Increase number & diversity of institutions participating in experiments
- Fine tune evaluation metrics for the experiments (improve measurement requirements)
- Implement web-based reporting for data collection and automated report generation



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# An Experimental Site



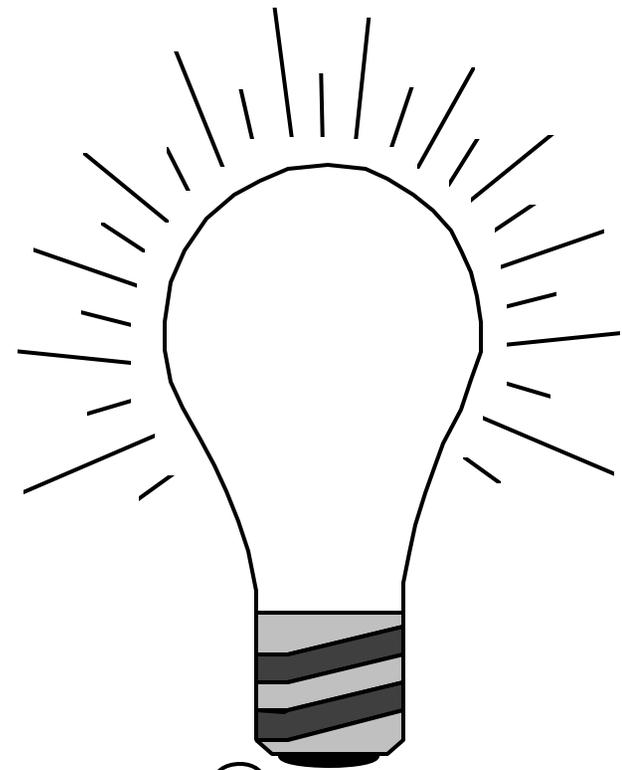
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# Have an idea - Submit a Proposal

- Proposals will be accepted from
  - Individual Institutions
  - Consortiums
  
- Institutions may participate in one or more experiments.



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# Do not forget to include..

## *Proposal Elements*

1. Demographics
2. Identify problem
3. Develop hypothesis
4. Propose solution
5. Performance Measures
6. Institutional Evaluation
7. Statutory/Regulatory Exemption
8. Time Period



# Submit Proposals To - -

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Washington, DC 20202-5232

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# Questions ?



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