Breakthrough Performance at FSA

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Chief Operating Officer
Federal Student Aid

May 26, 2004

Who We Are…

Federal Student Aid (FSA) administers and operates the annual $60 billion Title IV student aid programs for the Department of Education. In 1998, FSA became the government’s first performance based organization (PBO).

- $321 billion outstanding loan portfolio
- 23.6 million borrowers
- 13 million aid applicants annually

Billions of Transactions Industry-wide
What We Do…

We deliver over $60 billion in aid each year to 13 million aid applicants, including nearly 12 B in Pell Grants to the most needy students, through & with:

- **6,130 Schools**
- **3,600 Lenders**
- **36 Guaranty Agencies**
- **36 Secondary Markets**
- **27 3rd-Party Servicers**
Why We Matter?

Education – A National Priority

- Federal student aid programs support the President’s goals for the nation
- Substantial and on-going public support for federal financial assistance for higher education

The Business Imperative

- Delivery of student aid is not optional
- Consistent increases in demand for FSA’s services and in the scope of our activities
- PBO legislation raised the expectations of FSA
What Does Being a PBO Mean?

PBO: Raising the Bar

Management agrees on performance goals for achieving specific results:

- Improve service to students
- Reduce costs
- Increase accountability
- Integrate information systems
- Implement common integrated delivery system
- Strengthen program integrity
What are the Challenges?

Challenges to Meeting the Raised Bar

- Many masters, many goals
- Limited budgetary, personnel and procurement flexibilities
- Must align the speed of advancement and innovation with customer and partner capabilities
What Did We Do?

That Said, FSA…

Organized around our customers instead of our programs by:

- Transforming the financial aid process from paper to electronic – from aid awareness, to application, to repayment – all while ensuring uninterrupted access to student aid programs
- Implementing e-business solutions for schools and financial partners
- Reducing default rates to historic lows
- Optimizing our default collection practices resulting in increased recoveries
- Continuing to overhaul our remaining legacy systems
What Does that Mean?

Customer Service

Organizing around our customers

Getting the Right Aid to the Right Student at the Right Time
What Did We Develop?

FAFSA on the Web
(Free Application for Federal Student Aid)

Student Aid on the Web

http://www.fafsa.ed.gov
http://studentaid.ed.gov
What Was Our Development Methodology?

Career Staff Leadership and Involvement

- Market Research
- Focus Groups
- Beta Test
- More Focus Groups
- Customer Feedback Mechanisms
- Continuous Improvement
How Are We Doing?

Student Eligibility: FAFSA

WE PROCESS nearly 800,000 APPLICATIONS IN A PEAK PROCESSING WEEK.

- 13+ million FAFSA forms submitted
- 78% completed electronically
- Electronic process, including changes, usually completed in less than a day
- The paper process, including changes, typically takes less than three days
- 8.9 million changes are made to previously submitted applications by schools and applicants
- Use of the online change process has increased nine fold over the last four years (3% to 26%)
- Paper process reject rate is about 8%
- Electronic process reject rate is less than 1%
Discover Your Opportunities!

FAFSA opens the door to the federal student aid process. Every step you take will get you closer to achieving your educational goals. Find out what you can expect from beginning to end. More>>

To apply for your PIN online, go to the Department of Education's PIN Site. If you need more information about the PIN, select More>>

CPS Web Applications Demo System

Before Beginning a FAFSA
Get organized!
To simplify filling out the application, gather the required documents and other information.
- Determine my eligibility
- Gather documents and information
- Check deadlines
- Register for a PIN
- Find my school codes
- Worksheets/Hojas de Trabajo
- More Options >>>

Fill Out a FAFSA
Fill out the application! FAFSA has seven steps that ask about you, your school plans, financial information and more.
- Fill out a FAFSA
- Llenar una FAFSA en Español
- Fill out a Renewal FAFSA
- Continue working on saved FAFSA
- Provide Electronic Signature
- More Options >>>

FAFSA ALERTS:

Deadlines:
More>>>

Scheduled Maintenance:
FAFSA on the Web will be unavailable on every Sunday from 5 a.m. to 11 a.m. (Eastern Standard Time). We apologize for any inconvenience this may cause. More>>>

FAFSA Follow-up
Find your FAFSA online!
You can go back to your FAFSA to check status, make corrections to a processed FAFSA and get other information.
- Check status of a submitted FAFSA
- Print Student Aid Report (SAR)
- Make Corrections to a Processed FAFSA
- Student Access
- More Options >>>

12
The following questions are not numbered and are not asked exactly in the same order as they are on the paper FAFSA. For your convenience, we have included the paper FAFSA question numbers in parenthesis for each question. You can use this information to find the corresponding question on the paper FAFSA.

<table>
<thead>
<tr>
<th>Question</th>
<th>Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Last Name (question 1):</td>
<td>Cohen</td>
</tr>
<tr>
<td>First Name (question 2):</td>
<td>Jennifer</td>
</tr>
<tr>
<td>Middle Initial (question 3):</td>
<td>A</td>
</tr>
<tr>
<td>Permanent Street Address (include Apt. Number) (question 4):</td>
<td>123 America Ave.</td>
</tr>
<tr>
<td>City (and Country if not U.S.) (question 5):</td>
<td>New York</td>
</tr>
<tr>
<td>State (question 6):</td>
<td>New York</td>
</tr>
<tr>
<td>Zip Code (question 7):</td>
<td>10001</td>
</tr>
<tr>
<td>What is the student’s state of legal residence (question 18)?</td>
<td>New York</td>
</tr>
<tr>
<td>Student E-mail Address (if any) (question 13):</td>
<td><a href="mailto:jennifercohen@aol.com">jennifercohen@aol.com</a></td>
</tr>
<tr>
<td>------------------------------------------------</td>
<td>-----------------------</td>
</tr>
<tr>
<td>Please re-enter to confirm the student’s E-mail Address:</td>
<td></td>
</tr>
<tr>
<td>Note: some e-mail systems differentiate between capital and lower case letters. Make sure you type in the student’s e-mail address exactly as it would be recognizable by his/her e-mail provider.</td>
<td></td>
</tr>
<tr>
<td><a href="mailto:jennifercohen@aol.com">jennifercohen@aol.com</a></td>
<td></td>
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</tbody>
</table>
College Finder

1 - 50 of 115 possible matches. They are listed in order of best match, then alphabetically.

<table>
<thead>
<tr>
<th>College</th>
<th>Apply</th>
<th>Campus Tour</th>
<th>Add to MyFSA</th>
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<tr>
<td>Allegheny College (100%)</td>
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<td>Bucknell University (100%)</td>
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<tr>
<td>Cabrini College (100%)</td>
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<tr>
<td>Carnegie Mellon University (100%)</td>
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<tr>
<td>Cedar Crest College (100%)</td>
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<tr>
<td>Chatham College (100%)</td>
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<tr>
<td>Chestnut Hill College (100%)</td>
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<tr>
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<tr>
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<tr>
<td>Edinboro University of Pennsylvania (100%)</td>
<td>APP INFO</td>
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<tr>
<td>Gannon University (100%)</td>
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<tr>
<td>Holy Family College (100%)</td>
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</tbody>
</table>
## Estimate Costs

The first step to figuring out how to pay for college is to estimate the cost of attendance at the colleges that interest you. The typical cost of attendance at a college includes not just tuition, but room and board, additional fees, books and supplies, and miscellaneous costs such as personal expenses and transportation.

Most colleges provide average cost information on the expenses associated with attending college. The average cost will vary based on your program of study and lifestyle. Be sure to verify these cost estimates with information from the colleges.

### Cost of Attendance Worksheet

<table>
<thead>
<tr>
<th>Institution Name</th>
<th>Tuition</th>
<th>Room &amp; Board</th>
<th>Additional Fees</th>
<th>Books &amp; Supplies</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carnegie Mellon University</td>
<td>$25670</td>
<td>$7264</td>
<td>$202</td>
<td>$865</td>
<td>$33136</td>
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<tr>
<td>Penn State Abington</td>
<td>$8620</td>
<td>$0</td>
<td>$388</td>
<td>$0</td>
<td>$9008</td>
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<tr>
<td>University of Pennsylvania</td>
<td>$13250</td>
<td>$0</td>
<td>$388</td>
<td>$0</td>
<td>$13638</td>
</tr>
</tbody>
</table>

The figures in gray bars are for in-state.

The figures in white bars are for out-of-state.
Scholarship Search

**Keyword search:** computer technology

Type in a key word(s) in the above box for the category of scholarship you are seeking such as: music, law enforcement, biology, community service, etc. If you have filled out the MyFSA Profile, you can search for scholarships based on information in your MyFSA account. Click here to perform the MyFSA search.

These are scholarships that may match your search of "computer technology"

<table>
<thead>
<tr>
<th>Scholarships</th>
<th>Add to MyFSA</th>
</tr>
</thead>
<tbody>
<tr>
<td>American Oil Chemists' Society Scholarship</td>
<td></td>
</tr>
<tr>
<td>AeA Technology Scholarship Program</td>
<td></td>
</tr>
<tr>
<td>Micron Science and Technology Scholars</td>
<td></td>
</tr>
<tr>
<td>Robert Greenberg/Harold E. Ennes Scholarship Fund and Ennes</td>
<td></td>
</tr>
<tr>
<td>Foundation for Surgical Technology Scholarship Fund</td>
<td></td>
</tr>
<tr>
<td>American Society of Heating, Refrigeration, and Air Conditioning</td>
<td></td>
</tr>
<tr>
<td>American Oil Chemists' Society Honored Student Awards</td>
<td></td>
</tr>
<tr>
<td>American Dental Association Foundation Dental Lab</td>
<td></td>
</tr>
<tr>
<td>International Technology Education Association Undergraduate</td>
<td></td>
</tr>
<tr>
<td>Library and Information Technology Association/Christian Larew</td>
<td></td>
</tr>
<tr>
<td>Santa Clara University School of Law Computer and High Technology</td>
<td></td>
</tr>
</tbody>
</table>
How Successful Are We?

1. Improve service to students
   - Reduced processing time from days to hours and enabled one stop shopping

2. Reduce costs
   - Eliminated costly paper process; 78% of FAFSA’s are completed electronically

3. Increase accountability
   - Getting the right aid to the right student at the right time

4. Integrate information systems
   - Simplified the process for students and families

5. Implement common integrated delivery system
   - Integrated preparing and planning phases with the actual application process (FAFSA)

6. Strengthen program integrity
   - Improved data quality - Electronic process reject rate is less than 1% - our data checks are working
What Do Our Customers Say?

Customer Visits
- 613,092 unique visits to FAFSA on the Web for March 2, 2004 (peak processing day)
  - 10 million plus hits hourly
- Student Aid on the Web receives two million monthly hits; four million page views

Survey Says
- 2003 ACSI Customer Satisfaction Survey
  - FAFSA satisfaction scores better than Yahoo…only Amazon.com scores were better

Awards
- Federal Leadership Council’s Showcase of Excellence Award
  - Student Aid on the Web (http://studentaid.ed.gov)
- Award Finalist for Government Solutions Center Pioneer Awards Winner
  - FAFSA on the Web (http://www.fafsa.ed.gov)
Breakthrough Performance Continues…

- **Common Services for Borrowers** – integrating four different systems to provide a streamlined repayment process for our customers

- **Data Strategy** – ensure consistency and accuracy of the billions of transactions we complete everyday

- **Front-End Business Integration** – further integrating our delivery systems to develop the “ultimate customer service experience” not only for our borrowers but for our industry partners as well
Questions?

This presentation is available at: