

# OKLAHOMA STATE REGENTS FOR HIGHER EDUCATION

## *Oklahoma College Assistance Program*



July 29, 2011

Dear Mr. Secretary:

RE: Voluntary Flexible Agreement Proposal

In response to *Federal Register* Vol. 76, No. 104, regarding Voluntary Flexible Agreements (VFA), the following guaranty agencies propose to work as a consortium to perform duties as described in the outlined GA Responsibility Areas of the attached proposal:

- Finance Authority of Maine (FAME)
- Iowa College Student Aid Commission (ICSAC)
- Louisiana Student Financial Assistance Commission (LASFAC)
- Oklahoma College Assistance Program (OCAP)
- Rhode Island Higher Education Assistance Authority (RIHEAA)

These guarantors all use the Sallie Mae EAGLE servicing system and wish to further leverage this common servicing platform to ensure important student services and guarantor obligations continue in our respective states. The proposal is designed to ensure cost neutrality to U.S. Department of Education (ED) and prevent perceived conflicts of interest outlined in the *Federal Register* Notice.

Cost-neutral funding for the model relies on the use of savings to ED generated from a reduction in loan rehabilitation retention for Area I consortium providers. These savings will be used to ensure continued and expanded default prevention services are available for Area II providers. Use of the proposed funding model will also result in adequate funding to all guarantors for Area III services in addition to funding Area IV services for guarantors without Area I responsibilities.

We respectfully request careful consideration of this proposal and appreciate the opportunity to work with ED to craft a mutually beneficial agreement. Working together we can ensure that students and parents continue to receive critical, customized support services while we continue to meet our required guarantor obligations.

Sincerely,

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# **EAGLE SYSTEM USER CONSORTIUM**

## *Response to Federal Register Vol. 76, No. 104*

### **I. Introduction**

In response to *Federal Register* Vol. 76, No. 104, the following guaranty agencies propose to work as a consortium to perform duties as described in each GA Responsibility Area.

- **Finance Authority of Maine (FAME)**
- **Iowa College Student Aid Commission (ICSAC)**
- **Louisiana Student Financial Assistance Commission (LASFAC)**
- **Oklahoma College Assistance Program (OCAP)**
- **Rhode Island Higher Education Assistance Authority (RIHEAA)**

The consortium is proposing this financing model to assure a cost-neutral position within the consortium and eliminate any perceived conflict of interest as referenced with the *Federal Register* notice. All savings generated from the reduction in loan rehabilitation retention will be used by the U.S. Department of Education (ED) to fund participating agencies' activities.

Upon request, the consortium will consider including additional agencies in the consortium.

### **II. Background**

FAME, ICSAC, LASFAC, OCAP, and RIHEAA are state or quasi-state agencies. Each agency uses the EAGLE Sallie Mae guarantor servicing system to administer the Federal Family Education Loan Program (FFELP).

**FAME**, the Finance Authority of Maine, is a quasi-independent state agency that provides innovative financial solutions to help Maine people and businesses pursue educational and business opportunities. Created by the Maine Legislature in 1983, FAME develops and administers programs related to the financing of both higher education and business in the state of Maine. FAME's Commercial Division helps Maine businesses access capital to grow, expand, and flourish. FAME provides a diverse range of programs and services that can meet virtually any Maine business needs. The Education Division also provides a breadth of programs and services, including administration of the FFELP; the NextGen College Investing Plan (the fifth largest 529 plan in the nation with \$6.0 billion in assets); the Harold Alfond College Challenge, which offers a \$500 gift to every qualifying Maine newborn to use for college savings purposes; Maine's College Access Challenge Grant (CACG); a GEAR UP scholarship program; and several state grant and loan and loan repayment programs that provide Maine students and families with more than \$12 million in student financial assistance annually. FAME provides extensive education outreach surrounding financial aid and literacy, a special default aversion program for high-risk borrowers, and other services. Outreach, customer service, and operations teams, comprised of former student financial aid officers and others with strong backgrounds in student financial assistance, are dedicated to providing these services as effectively as possible to Maine citizens. FAME actively works with Maine students and families of all ages, from birth to grandparenthood, to encourage college savings, college attendance and financing, and debt management and financial literacy. FAME sponsors numerous financial aid information sessions throughout the state and works with lenders, high school guidance counselors, colleges, financial aid administrators, students, parents, the Legislature, and many other stakeholders to meet the education financing needs of Maine students and families. FAME collaborates with all other entities in the state offering financial education and college access services.

**ICSAC**, the Iowa College Student Aid Commission, is an agency of Iowa government whose mission is to advocate for and provide a continuum of services to support Iowa students and families as they explore and finance educational opportunities beyond high school. In the more than 40 years of its existence, ICSAC has helped make higher education possible for thousands of Iowa students. The agency administers the FFELP in Iowa and Iowa General Fund appropriations for need-based scholarships, grants, work study, and loan forgiveness opportunities. In addition, ICSAC offers a range of services directly to students, families, educators, and the general public. Consistent with the agency's mission,

these services include college planning, career planning, and financial literacy support for students; professional training for educators; regulatory enforcement and compliance assistance to postsecondary institutions; research related to college access and affordability; outreach activities to prevent student loan defaults; and advocacy on behalf of Iowa students in the formation of public policy. ICSAC also serves as the state's administrator of major grants from ED, including Iowa's CACG and GEAR UP Iowa, which promotes early college awareness and preparation and provides financial aid for college to thousands of Iowa students and their families.

**LASFAC.** In addition to being the state's designated guaranty agency for student loans under the FFELP since 1965, LASFAC also administers all state scholarship and grant programs, among them Louisiana's premier merit-based scholarship program, the Taylor Opportunity Program for Students (TOPS); the state's 529 college savings plan, the Student Tuition Assistance and Revenue Trust (START) program; the Louisiana Go Grant; the Early Start Program; and the Rockefeller State Wildlife Scholarship program.

LASFAC is also extremely active in the dissemination of college access information within the state with a concentration on assisting students from low-income families and first generation college attendees in locating and obtaining the resources necessary to pursue and complete a postsecondary education. To these ends, LASFAC regularly partners with other entities, including the Louisiana Board of Regents, the Louisiana Department of Education, the GEAR UP and TRiO programs, the Louisiana Association of Student Financial Aid Administrators, and others.

**OCAP,** formerly known as the Oklahoma Guaranteed Student Loan Program, is an operating division of the Oklahoma State Regents for Higher Education (OSRHE). OSRHE is the coordinating board for public colleges and universities in Oklahoma and serves as state administrator for the CACG, GEAR UP grant and OKcollegestart.org, the Web-based student portal. State legislation creating OCAP was enacted in 1965 (70 O.S. §§ 622-624). The purpose of OCAP is to administer the FFELP portfolio and provide support services for students, borrowers and others in areas including, but not limited to, college access, financial aid awareness, student loan management, default prevention and financial literacy. OCAP offers a variety of programs and services to build aspiration and educate Oklahomans about planning, preparing and paying for postsecondary education. OCAP's services complement and support OSRHE initiatives and reflect successful collaboration with state, regional and national education associations. OCAP's purpose supports OSRHE's mission of enhancing access and improving the quality of public higher education for all Oklahomans, increasing the number of college graduates in the state, and better preparing students to meet the challenge of a global economy. OCAP works actively to promote college opportunity, increase financial aid awareness and enhance financial literacy and debt management. Efforts continue to evolve and expand as OCAP explores more innovative approaches to deliver the message that postsecondary education is within reach for all Oklahomans.

**RIHEAA.** Established in 1977 under the General Laws of Rhode Island, the Rhode Island Higher Education Assistance Authority was created to provide financial assistance to students and their families, which helps them realize their postsecondary educational goals. RIHEAA administers grants and scholarships for the state of Rhode Island. In 2011, RIHEAA provided more than 12,000 scholarships for needy Rhode Island students. RIHEAA is also a guaranty agency for the FFELP. Since its inception, RIHEAA has played a critical role in the advancement of students and will continue to support students in their educational pursuits in the years ahead.

Through the WaytogoRI.org interactive Web portal, RIHEAA provides tools and resources for educators, such as the Individualized Learning Plan (required for all RI students starting in 6<sup>th</sup> grade) and robust tracking and reporting tools to monitor student career aspirations and educational goals. The portal provides students and parents a wide variety of assessments, high school planning tools, test prep, and up-to-date career matching and search tools, along with a wealth of information on college admissions and financial aid at their finger tips. WaytogoRI.org is supported by RIHEAA as part of the agency's mission and is provided free of charge to all Rhode Islanders.

In addition to the Web portal, RIHEAA also provides presentations and workshops on early awareness, college admissions, and the financial aid process. RIHEAA partners with the RI Office of Higher Education (OHE) and regularly visits elementary, middle and high schools throughout the state to provide early college/career awareness presentations. RIHEAA also provides professional development training for financial aid administrators and assistance with regulatory and compliance issues. RIHEAA works closely with the Rhode Island Department of Education on the ED LDS process and through the WaytoGoRI.org platform is providing the electronic transcript for the public school system. Other partnerships include the College Planning Center of Rhode Island sponsored by the Rhode Island Student Loan Authority, CACG with OHE, support for the GEAR UP grant with the Rhode Island College Crusade, and the application and disbursement of the Chafee Grants for the RI Department of Children, Youth and Families.

### **III. Proposal to perform GA Responsibility Area I (Lender Claims Review, Lender Claims Payment, and Collections) for all members of the consortium**

- **Finance Authority of Maine (FAME)**
- **Iowa College Student Aid Commission (ICSAC)**
- **Rhode Island Higher Education Assistance Authority (RIHEAA)**

These three agencies will perform the activities related to Responsibility Area I both for their own loan portfolios and for the portfolios of other guaranty agencies participating in this consortium VFA with ED. These agencies have the managerial and operational capacity, including significant and demonstrable scalability in their systems and other infrastructure, to assume expanded claims review, claims payment, and collections responsibilities. All three agencies have extensive institutional experience in administering guaranteed student loans through the FFELP.

#### **A. Objectives**

The purpose of GA Responsibility Area I is to create efficiencies and increase revenues for all entities involved in the EAGLE System User Consortium, as well as for ED. The VFA proposes the following objectives for evaluating the guaranty agencies' effectiveness in achieving this purpose:

- increase efficiency in claim processing and payment.
- increase total collections revenue.
- increase collections via the loan rehabilitation program.

#### **B. Activities**

As noted above, the agencies undertaking GA Responsibility Area I have the capacity, scalability and infrastructure to assume expanded claims review, claims payment, and collections responsibilities.

**Lender Claim Review** – Upon execution of the VFA, the agencies assuming GA Responsibility Area I will create a centralized claims processing unit. All claims for all agencies in the VFA will be submitted to a single claims processing unit operated by a contracted vendor. That unit will be responsible for review and processing of all claims and repurchase requests.

**Lender Claim Payment** – Upon execution of the VFA, the agencies assuming GA Responsibility Area I will form a centralized lender claims payment unit. This unit will process payment of all lender claims on loans held by the VFA. A contracted vendor will operate the lender claim payment unit. This unit will be responsible for all lender claim payments for the VFA. The vendor contracted for this purpose shall be the same as that responsible for review of lender claims.

**Default Collections** – Upon execution of the VFA, default portfolios of the agencies that are not responsible for Area I will be transferred proportionately to the three agencies named in Area I. Upon purchase of a default claim for a loan after the VFA is in place the loan will be transferred to one of the three agencies charged with GA Responsibility Area I. For the first year after implementation of the VFA, loans for which a claim has been paid will be distributed at the time of purchase to each of the three agencies on a pro rata basis with respect to the value of each agency's

current loan portfolio at the time of the execution of the VFA. After one year, claims will be transferred based on agency default collection performance.

**Loan Holder Administration Responsibilities** – The functions below will be performed by each agency assuming GA Responsibility Area I for those loans it holds, using the methods currently in place under existing Guaranty Agreements with the Secretary:

- NSLDS Reporting
- Rehabilitation Sales
- Tax Offset Processing
- Discharge Processing
- Bankruptcy Processing
- Credit Dispute Processing
- Consolidation Processing
- Mandatory assignment to ED
- Ombudsman Services

All activities listed above are currently performed by agencies under current Guaranty Agreements with the Secretary.

#### C. **Justification for activities**

The activities proposed by the VFA for GA Responsibility Area I are justified for the following reasons:

- VFA activities will yield economies of scale, and the VFA will achieve efficiencies through centralization of key processes, including review and payment of lender claims.
- VFA activities will streamline agency services, allowing agencies to focus on services related to default collections and administrative responsibilities.
- VFA activities will allow agencies to focus efforts on working with borrowers, improving communication with borrowers, and creating cost efficiencies as a result of timelier borrower repayment.
- VFA activities will build on and complement agency activities (described under GA Responsibility Area III) related to borrower outreach, counseling, and default aversion, such as campaigns to educate students and their families about college access and college costs.

#### D. **Implementation plan**

Implementation of activities identified under GA Responsibility Area I are ongoing, such that agencies have in place procedures for the following as they relate to GA Responsibility Area I:

- claim payment processes
- account payment processes
- operations
- data systems access
- reporting
- accounting

As described above, agencies will implement procedures for the distribution of default claims among agencies with responsibility for GA Responsibility Area I. Agencies with responsibility for Area I will maintain their current default portfolios. Upon execution of the VFA, default claims will be distributed to VFA members based on portfolio size at the time of the execution of the VFA. After one year, the new claims will be transferred based on the performance of the agencies and their respective portfolio management vendors. The loan holder will be responsible for all aspects

of loan administration. The Area I providers will contract with a single vendor to provide a common data platform (for records management, reporting, accounting, etc.).

#### Plan to Prevent Potential for Conflict of Interest

ICSAC, FAME, and RIHEAA shall assume GA Responsibility Area I. These agencies shall not assume GA Responsibility Area II (Delinquency and Default Prevention and Management) nor GA Responsibility Area IV. In this way, the VFA shall avoid the potential for conflict of interest that exists when a guaranty agency is responsible for both default aversion and default collections for the same loans.

#### **E. Expertise and accomplishments**

The consortium will contract with a single vendor, Sallie Mae, to provide a common data platform (for records management, reporting, accounting, etc.). The nation's top holder of FFELP loans, Sallie Mae holds loans valuing more than \$154 billion, nearly five times the volume held by the second-largest loan holder.

In FFY 2010, recovery rates for each of the three agencies performing the activities in Responsibility Area I were ranked among the nation's top four. While the industry average recovery rate was approximately 29 percent, the average recovery rate for ICSAC, FAME, and RIHEAA was approximately 43 percent. The industry average recovery via rehabilitation rate was approximately 41 percent, and the average of the agencies charged with GA Responsibility Area I was approximately 49 percent.

#### **F. Improved services**

By achieving efficiencies and increasing revenues, the agencies undertaking GA Responsibility Area I will support improvements in prevention and management of delinquency and default, as well as in community outreach, financial literacy and related efforts. The VFA seeks to improve the efficiency of collections-related efforts through collaboration and sharing of best practices within members of consortium and to shift incentives to the avoidance of defaults.

Improvements and related metrics are described in the following section.

#### **G. Performance metrics**

In order to assess the degree to which VFA objectives are met, agencies will provide specific data to ED. The consortium proposes the following specific and measurable outcomes as performance measures:

- **Level of Increase in Recovery Rates** - At the end of FFY10, the five agencies in the consortium had an average recovery rate of approximately 33 percent.
- **Level of Increase in Net-Back Rates** – Net-Back rates are recoveries minus collection expenses divided by inventory. They are a measure of recovery efficiency. The consortium will place default volume based on the net-back rate of each agency with Area I responsibilities.
- **Level of Increase in Recoveries via Rehabilitation** - Rehabilitation benefits all parties and is the preferred collection method. Additional increases can also be achieved through identifying periods with the highest fallout and ensuring that borrowers complete the program. In FFY10, the five agencies in the consortium had a rehabilitation recovery rate of approximately 37 percent.
- **Improvement in the Rehabilitation Re-Default Rates** – The Rehabilitation Re-Default Rate is the percentage of accounts that re-default after rehabilitation. Agencies will place a special emphasis on working with these borrowers during rehab-qualifying planning to communicate the benefits of rehabilitation and the consequences of re-default.

- **Borrower Experience** –Agencies will develop procedures for collection of valid and reliable data relative to the borrower experience. Agencies will provide for systematic analysis and reporting of data.

## H. Evaluation method

Evaluation of the VFA will be used to routinely inform improvements in procedures as well as to assess overall effectiveness. VFA evaluation findings will inform ongoing planning and implementation and will document the extent to which the performance metrics (described above) are achieved, drawing on the following data sources:

- ED Recovery Rate Reports
- Agency internal performance reports
- Federal agency audits
- Other agency audits

## I. Financing plan

The expenses for the Area I agencies within the consortium will be paid through the funds received as a result of the collection retention process on their default portfolios combined with the transfer of the default portfolios from the agencies performing Area II activities.

Through the consortium’s efforts to optimize effectiveness, the consortium is proposing to reduce the amount of retention on rehabilitation loans. The collection retention for regular collections, AWG, and Direct Loan Consolidations will not change from the current rates. The savings to ED generated as a result of the decrease in collection retention on loan rehabilitation will be used to fund the agencies performing Area II, III, and IV activities. The Area I agencies will transfer their non-default portfolios to the Area II agencies on a pro-rata share, such as a percentage of the respective loans outstanding amounts of the various Area II agencies.

Federal Reserve Fund. Each agency will either escrow or transfer the Federal Reserve Fund to ED upon implementation of the VFA. The agencies responsible for Area I would propose a just-in-time process similar to the prior approved VFAs. Through this process, the estimated amount of claims to be paid will be provided to ED for the transfer of the funds just prior to the claim payment. All claim payments would be made and reimbursed at a 100 percent level. Also, similar to the current supplemental process, through the month-end processing, the retention payments and claim amounts will be reconciled.

The consortium eliminates the perceived conflicts of interest that the *Federal Register* references with respect to the current guaranty agency structure when a guaranty agency is responsible for both default prevention and default collections.

## J. Explanation of efficiencies

The VFA shall achieve efficiencies by centralizing key functions and allocating agency responsibilities to eliminate duplication of effort and build on organizational strengths. The particular means whereby the VFA shall achieve efficiencies include the following:

- Claims review and payment functions for the entire portfolio will be performed by a single vendor.
- Default portfolios will be consolidated and responsibility shared by three agencies.
- VFA activities will yield economies of scale by centralizing review and payment of lender claims.
- Participating agencies will focus on services related to default collections and loan administration.
- Participating agencies will strengthen communication with borrowers and create cost efficiencies as a result of timelier borrower repayment.

- VFA activities will build on and complement agency activities (described under GA Responsibility Areas II and III) related to borrower outreach, counseling, and default aversion, such as campaigns to educate students and their families concerning college access and college costs.
- All agencies currently share a common data platform, which will minimize disruption to borrowers.

**K. Impact on continued financial and operational viability of consortium**

Participating agencies will continue to monitor the performance of the VFA to assure the continued financial and operational viability of the consortium. Agency financial officers expect the consortium to remain financially and operationally viable under the proposed VFA as a result of efficiencies noted above.

**L. Limitations on capacity**

Several factors contribute to the extensive scalability of VFA efforts. The agencies responsible for Area I functions can successfully perform all activities described in this section. Currently, all VFA agencies share a common data platform and transition costs are projected to be relatively low. The VFA consortium will continue to use this data platform. The features of this shared platform allow the consortium to take on additional FFELP portfolios from outside of the proposed consortium if needed. In addition, access to private collection vendors would allow large scalability and ability to take on additional portfolios.

**M. FISMA**

The FISMA compliance process is ongoing. The consortium's system vendor, Sallie Mae, is taking part in this ongoing compliance process and reports that the guarantor system is on schedule to obtain FISMA compliance by fall 2011. Each participating agency is engaged in the FISMA compliance process and on schedule for compliance within a reasonable time period.

**IV. Proposal to perform GA Responsibility Area II (Delinquency and Default Prevention and Management) for all members of the consortium**

- **Louisiana Student Financial Assistance Commission (LASFAC)**
- **Oklahoma College Assistance Program (OCAP)**

**A. Objectives**

- To provide valuable assistance to borrowers, lenders and schools in returning delinquent borrowers in Maine, Iowa, Louisiana, Oklahoma and Rhode Island to satisfactory repayment status.
- To provide effective tools to delinquent borrowers and schools to prevent both first-time and repeat delinquencies and potential defaults.
- To inform, educate and counsel Maine, Iowa, Louisiana, Oklahoma and Rhode Island borrowers about successful repayment of their student loans, resulting in fewer defaults.
- To provide a large variety of online and in-person counseling sessions to Maine, Iowa, Louisiana Oklahoma, and Rhode Island loan borrowers.
- To provide Ombudsman/Advocate services to Maine, Iowa, Louisiana, Oklahoma and Rhode Island students.

**B. Activities**

- Educate and assist student borrowers with successful repayment and delinquency resolution. Portfolios will be segmented to focus attention to specific subsections, so that it results in satisfactory loan payment, highest resolution rates and associated lowest default rates. Customized telephone, letter and e-mail campaigns will be utilized to strategically resolve and prevent delinquencies. This includes campaigns specifically targeted at non-delinquent accounts

and those accounts in a late stage of delinquency. Campaigns will be conducted using state-of-the-art technology such as predictive dialers to perform attended and unattended call campaigns, and a common Borrower Pursuit System (BPS) (part of the Sallie Mae servicing system).

- As sponsors of Mapping Your Future (MYF), the consortium will provide Maine, Iowa, Louisiana, Oklahoma and Rhode Island schools with access to over 20 MYF student counseling sessions, as well as publications and loan-related calculators. Counseling options currently available include entrance, exit, financial literacy, private loan, grace period and repayment, and loan management. MYF provides training to make the most of the counseling services and also offers an online User's Guide for schools, providing step-by-step instructions for all of the features and services of Online Counseling.

Because student data is collected during the counseling programs, the consortium can track the impact of counseling and determine the effectiveness of the counseling programs. The data may also be used, when combined with other sources of information (and as allowable), in longitudinal studies of students program completion and success. MYF plans to add counseling features to measure effectiveness, including attitude and/or behavior changes in students who complete the counseling. The technology can also be used to implement longitudinal data studies, as allowable, to determine the success of counseling on student behavior.

The counseling is designed to require interaction from the students and tests their understanding of the material before being allowed to proceed. Online counseling also more easily enables schools to collect and retain required data from students. MYF offers a number of options enabling schools to customize the counseling to best fit the needs of their students and help students better understand their rights and responsibilities. MYF protects Online Counseling data via a secure Web server and the use of password protection. At the end of counseling sessions, students enter information on a secure form. Schools then retrieve information from a secure, password-protected site.

- Ombudsman/Advocate services for Maine, Iowa, Louisiana, Oklahoma and Rhode Island borrowers needing assistance with Title IV loan issues.
- Web-based default prevention materials.

#### **C. Justification for activities**

- The activities described offer a complete and diversified approach to default prevention, which includes delinquency prevention and delinquency resolution, and allow all parties involved in the loan process to come together to form solutions to prevent defaults.
- As MYF sponsors, the consortium pays ██████ annually per state. This sponsorship allows schools to extend online counseling services to students at no cost to the school. MYF recently began charging schools without a state sponsor a membership fee of ██████ per year based on enrollment.
- Providing the required Ombudsman service for students, as well as advocacy services, is vital; borrowers must have a central point of contact to research loan-related issues and circumstances and help them navigate challenges related to federal student loans.

#### **D. Implementation plan**

The non-defaulted portfolio of Area I providers will systematically be transferred proportionately to Area II providers. The transition will be performed seamlessly to ensure no interruption in borrower services.

#### **E. Expertise and accomplishments**

- OCAP and LASFAC have been performing default prevention separately for over 25 years.

- LASFAC and OCAP's default prevention teams have over 389 years of collective experience handling general student loan inquiries and counseling delinquent borrowers about repayment options. When combined, staff service averages 10 years.
- Agency staff is dedicated to performing delinquency resolution and default prevention.
- Though cohort default rates are trending upward nationally, over the past five years, Louisiana and Oklahoma's cohort default rates have increased less than rate increases at the national level.

#### **F. Improved services**

- Expand and customize pre-delinquency and default aversion services to strategically counsel student loan borrowers.
- LASFAC and OCAP will utilize strategies that maximize delinquency prevention and resolution to effectively prevent student loan borrowers from defaulting.

#### **Pre-delinquency Strategies**

- Contact and educate borrowers early to assist them in keeping their loans current.
- Ensure borrowers can identify and know how to contact their lenders/servicer(s).
- Inform borrowers of their options in order to avoid potential delinquencies.
- Establish a strong rapport with borrowers, encouraging them to reach out to their lender/servicer or guarantor should they need information or assistance.
- Obtain current address, phone and email information.
- Use social media as a venue for sharing information about successful repayment strategies.

#### **Delinquency Strategies**

- Strategically managed attended and/or unattended predictive dialer campaigns that target specific delinquent borrowers, which could include but are not limited to:
  - Specific lender/servicers
  - Specific telephone numbers (verified cell, home and work numbers)
  - Defined delinquency buckets
  - High/low balance accounts
  - Late stage delinquencies
  - Solution-driven campaigns that target specific borrowers and help them get loans current (income-based repayment and DL consolidation campaigns)
- Call recording and call monitoring performed on calls for customer service and for training purposes.
- Specialized reports to monitor inbound and outbound calls, campaign effectiveness, resolution rates and staff performance.
- Specialized skip trace services, designed to locate hard to reach borrowers and/or borrowers whose address/phone information is no longer valid. Skip efforts may include but are not limited to contacts with:
  - References
  - Schools attended
  - Locator Internet Sites
  - Department of Labor
  - Department of Motor Vehicles
  - Prisoner Locator Service
  - Credit Reporting Agencies
- Maintain agency websites, which offer helpful information to assist borrowers in resolving delinquency and links to deferment/forbearance forms, calculators, lender websites and other resources.

## G. Performance metrics

- Increase borrowers in current repayment status.
- Increase Resolution/Aversion rates.
- Percent of change in cohort rates from one year to the next will parallel or trend lower than the percent of national cohort rate changes.
- Increase number of online counseling sessions completed.

## H. Evaluation method

- System generated reports.
- Published cohort default rates.
- MYF statistics.

## I. Financing plan

**Account Maintenance Fee (AMF)** - The agencies in Area II would continue to receive the AMF from ED on their respective portfolios in addition to the portfolios transferred to them from the Area I agencies. The AMF fees would continue to be used to provide for the various reporting and maintenance requirements of the overall portfolio of the Area II agencies.

**Default Aversion Fee (DAF)** – The agencies in Area II would receive from ED and rebate to ED the current DAF on their portfolios in addition to the portfolios transferred to them from the Area I agencies. The increased retention on rehabilitated loans to ED from Area I agencies will provide funds for the DAF payment.

The Area I agencies will provide any funds needed to provide for the DAF rebate of loans for which the Area I agency had received the original DAF billing.

The consortium is proposing to further use the collection savings generated from the reduction in the rehabilitation retention to provide for an enhanced level of service to the non-defaulted borrowers in their portfolio. These services would be made available through the ability to receive the [REDACTED] DAF billing from ED on borrowers that may subsequently need further assistance through repeat Default Aversion Assistance Requests (DAARS). This can be justified because the same commitment of time and resources go into the subsequent aversions as the first. Also, as the portfolio ages out and diminishes over time, the number of first time aversions will be outpaced by more subsequent aversions. Just like the original DAF process, the subsequent DAF billings would also be rebated should the account go to default.

Since the Federal Reserve Fund will be escrowed or returned to ED, a process will need to be established in conjunction with the monthly Forms 2000 process to account for the billing of the amount of funds to be paid to the agency by ED less any amounts owed to ED by the agency, similar to the previously approved VFAs.

## J. Explanation of efficiencies

- Transferring the collections portfolios of Area II providers to Area I providers who use separate collection vendors and a common claims processing vendor should result in economies of scale and savings to ED, which can be used to pay for Area II services.
- MYF partnership allows schools to use counseling sessions and tools at no cost. The sponsorship fee of [REDACTED] per year per state is low compared to the expense to create and maintain a comparable website and series of tools.

- Each agency will provide services focusing on the needs of the covered geographic areas in collaboration with a variety of educational partners.

**K. Impact on continued financial and operational viability of consortium**

Participating agencies will continue to monitor the performance of the VFA to assure the continued financial and operational viability of the consortium. Agency financial officers expect the consortium to remain financially and operationally viable under the proposed VFA as a result of efficiencies as noted above.

**L. Limitations on capacity**

The agencies responsible for Area II functions for the consortium can successfully perform all the objectives and activities set forth in this proposal for Maine, Iowa, Louisiana, Oklahoma and Rhode Island schools and borrowers. Access to default prevention vendors would allow large scalability and capacity to take on additional portfolios. Systems capacity for default prevention has no limit.

**M. FISMA**

The FISMA compliance process is ongoing. The consortium’s system vendor, Sallie Mae, is taking part in this ongoing compliance process and reports that the guarantor system is on schedule to obtain FISMA compliance by fall 2011. Each participating agency is engaged in the FISMA compliance process and on schedule for compliance within a reasonable time period.

**V. Proposal to perform GA Responsibility Area III (Community Outreach, Financial Literacy and Debt Management, School Training and Assistance and School Oversight)**

- **Finance Authority of Maine (FAME)**
- **Iowa College Student Aid Commission (ICSAC)**
- **Louisiana Student Financial Assistance Commission (LASFAC)**
- **Oklahoma College Assistance Program (OCAP)**
- **Rhode Island Higher Education Assistance Authority (RIHEAA)**

Each participating agency’s planned activities, performance metrics and evaluation methods are detailed in an appendix to this proposal. Other required elements for Area III are detailed below.

**A. Objectives**

- Educate families, school counselors, and community service providers about the value of higher education, financial literacy and debt management.
- Serve as a source of credible information and materials to eliminate perceived barriers to higher education for underserved families, support effective college and career planning, heighten aid awareness, strengthen financial literacy and promote successful debt management.
- Encourage eligible families to apply for state-based scholarship programs and all families to participate in state 529 College Savings Plans.
- Unite and amplify state-based college access activities to reach as many underserved families as possible.
- Assist K-12 schools and higher education campuses in developing or expanding personal finance education services.
- Engage businesses and community partners as higher education ambassadors and providers of personal finance and debt management education for employees and service populations.
- Educate schools about Title IV law, federal regulations and default prevention best practices and, for applicable agencies, monitor compliance of Title IV loan programs.

## B. Justification for activities

**FAME.** Maine's high school graduation rate is over 80 percent; however, the number of 25 to 34 year-olds who have an associate's degree or higher is only 38 percent. In a document prepared by ED, "Meeting the Nation's 2020 Goal," Maine's college graduate rate must increase to more than 57 percent.

Studies show that financial education and FAFSA completion are key components to students enrolling in and completing postsecondary education. According to ED's Education Longitudinal Study of 2002, 90 percent of all high school students who complete the FAFSA enroll in college within 12 months. *The Chronicle for Higher Education* reports that low-income students don't understand the finances involved in attending college, so they choose not to attend college at all. Educating families early about saving for college can make a significant impact on college-going rates. A study conducted by Washington University in St. Louis revealed that youth with a savings account in their name are six times more likely to attend college.

**ICSAC** will continue offering Area III services for the state of Iowa, including community outreach, financial literacy and debt management, school training and assistance, and school oversight. ICSAC has the expertise and capacity to implement these activities efficiently and effectively. ICSAC has helped make higher education possible for thousands of Iowa students. The mission of the agency is to advocate for, and provide a continuum of services to support, Iowa students and families as they explore and finance educational opportunities beyond high school.

In addition to administering Iowa General Fund appropriations for need-based scholarships, grants, and work study opportunities, ICSAC offers a range of community outreach services directly to students, families and the general public to promote college access, financial literacy, and debt management. The agency also provides professional training for financial aid officials and regulatory compliance support and oversight.

**LASFAC's** mission is "To Be Louisiana's First Choice in College Access." LASFAC's outreach efforts have concentrated on college knowledge and the LA START savings program at the elementary and middle school levels and preparation, information, access and success at the high school level. Louisiana has greatly expanded its postsecondary school options over the past decade, which has opened many additional opportunities for students in associate, paraprofessional, certificate, skill and technical training programs. Working with the Board of Elementary and Secondary Education (K-12) and the Board of Regents (higher education), LASFAC is the information bridge to ensure students are capable of "crossing over" from one side successfully to the other with financial literacy training, FAFSA assistance, scholarship searches, student loan information and many more services.

As administrator of the state's 529 College Savings Plan and merit and need-based financial assistance programs, LASFAC provides extensive information through publications, online, a call center, and school oversight services on all federal and state financial assistance programs. Since FFELP originations ended, LASFAC staff has transformed its School and Lender Services staff to concentrate more deeply on financial literacy and development, producing age-appropriate instruction and materials for elementary and middle school audiences. LASFAC is also currently engaged in production of LAConnect, an interactive Web-based college access portal for middle and high school students.

**OCAP.** Despite concerted efforts to generate more college graduates, there are leaks in Oklahoma's college-going pipeline. Preliminary figures for 2009 high school graduates show the rate of enrollment directly from high school to college is just over 50 percent, and participation gaps exist along ethnic, age, and geographic dimensions. The critical lack of financial literacy among Oklahoma high school students, college students and parents is another ongoing concern. Many parents lack a solid grasp of personal finance principles; Oklahoma's average credit score is significantly lower than the national average. Because parents often don't feel 'qualified' to teach

their children about money management, students face an unsupported transition to financial independence in college and significant gaps in awareness of financial aid options. With little or no family savings to rely on, students rely increasingly on loans – both federal and private – to finance higher education, and a student loan is the first credit experience for many Oklahoma borrowers.

OCAP's long-term, well-developed relationships with Oklahoma schools, skills and expertise will support ED in working with schools to administer the federal loan program. Fewer required school reviews are necessary since the change in the default window from 180 days to 270 days; OCAP's proposed targeted review selection plan will provide ED an additional layer of protection against fraud, abuse and error.

**RIHEAA.** As in many states, Rhode Island's (RI) educational pipeline remains problematic with a public high school graduation rate of 76 percent, college-going rate of 67 percent and college completion rate of 66.2 percent. Given these figures and RI's 11 percent unemployment rate, statewide efforts are underway to improve the educational pipeline and prepare an educated workforce. The RI Department of Education was selected as a *Race to the Top* grantee, and two projects were initiated in 2010-11: educator evaluation and standards/curriculum alignment using the Common Core State Standards. The statewide approach engages the state and districts to pool resources and work together to develop tools to help every school, teacher, and student. Complementary services provided by RIHEAA include workshops, reminder postcards to late grant applicants and a financial aid handbook for every high school senior.

RIHEAA also sponsors the WaytogoRI.org interactive Web portal, which offers a variety of college and career planning tools and resources for students, parents and educators, including curricular, test prep, college search and college matching tools, applications, and financial aid/scholarship searches. Approximately 85 percent of all RI public high school students have an account on WaytogoRI.org and every school district in the state uses the website. RIHEAA continues to serve as a trusted resource for K-12 and college officials, financial aid officers, and policy makers in the higher education community, and continues to provide professional development workshops and assistance with regulatory and compliance issues.

#### **C. Implementation plan**

Each agency will continue to provide, enhance and grow these types of activities and services for their state.

#### **D. Expertise and accomplishments**

**FAME's** college access and financial education team currently consists of five members with more than 60 years of combined financial aid experience. These staff are members of state, regional and national organizations related to college access, financial aid and financial education, and several have been recognized for their contributions to promoting college access and financial aid by some of these same organizations. In addition, FAME has customer service representatives who provide counseling and information via telephone and email. These representatives are managed by FAME's senior authority on the FFELP and receive training by the college access and financial education team members.

The success of FAME's college access and financial education programs in AY2010-2011 is evidenced by multiple factors, including: assisting more than 13,000 families through phone and email; printing and distributing over 140,000 publications; enrolling almost 5,000 Maine babies in a college savings account; participation of more than 50 percent of the Maine school districts in a college access or financial literacy event offered by FAME; the number of high school seniors filing a FAFSA increasing to just under 57 percent; and FAME's cohort default rate remaining below the national average.

**ICSAC** efforts with respect to GA Responsibility Area III will continue to be fostered by leadership from the highest levels of state government and sustained by links to a set of state policy priorities. ICSAC embraces the purposes of Area III as central to its mission; said activities, then, relate to the

agency's organizational structure as a set of meaningful activities that align with the agency's ongoing objectives. ICSAC has been exemplary in its efforts related to community outreach, financial literacy and debt management, school training and assistance and school oversight. Iowa's governor has designated ICSAC as the lead applicant and fiscal agent for Iowa's CACG. With CACG support, the agency developed and established the I Have A Plan Iowa Web portal; Web portal resources promote college-going expectations, assist in curriculum planning and other academic preparation; provide access to financial aid information and applications; and provide career information and career decision-making assistance tools. In addition, the agency provides all students in Iowa with access to an online financial literacy media platform via the I Have A Plan Iowa Web portal. The financial literacy media platform provides interactive financial literacy and default prevention instruction. Iowa schools can use the platform to deliver key aspects of the state's K-12 Core Curriculum.

The agency coordinates and funds in-person and online outreach activities and events for students who may be at risk of not enrolling in or completing college. ICSAC staff provide outreach activities throughout the state, including evening conferences with students and families focusing on financial aid and college preparation. Online activities include virtual college fairs and virtual financial aid night events. ICSAC also provides professional development for educators, including school guidance counselors, financial aid administrators, and college admissions counselors. The agency also provides regulatory enforcement and compliance assistance to postsecondary institutions. Along with the state's CACG, the agency administers Iowa's state GEAR UP grant, promoting college access among low-income and underrepresented students in high-need schools, as well as throughout the state.

**LASFAC** provides expert presenters for both public events and individual high school financial aid workshops for parents and students, routinely reaching over 80,000 participants annually. LASFAC employs a staff of public information specialists who are available to assist students and parents via telephone and email during regular office hours. Last year, these specialists answered over 50,000 telephone inquiries and 2,000 email queries.

Each year, LASFAC representatives and financial aid professionals conduct workshops for high school guidance counselors at locations around the state to instruct counselors on the latest changes to federal and state aid programs, completion of the FAFSA, and LASFAC services. In 2009-10, nearly 2,000 Louisiana high school guidance counselors attended LASFAC workshops; middle school counselors were added as workshop participants in 2009, and that number continues to grow. The Financial Literacy and Development team made 73 presentations that reached over 8,000 college and high school students.

Additionally, LASFAC's FLY (Financial Literacy for You) Team partnered with Big Buddy Baton Rouge's Wordplay Teen Writing Project to produce the FLY Statewide High School Spring 2011 Tour. The FLY spring 2011 tour was a dynamic theatrical presentation that used poetry, music and drama to communicate the importance of being financially literate and fiscally responsible. Due to the FLY tour's success and "rave reviews," the performance was conducted at the National College Access Network (NCAN) regional meeting in New Orleans and the *College Goal Sunday* Best Practices Forum in San Antonio, Texas, and will be featured at the NCAN national conference in St. Louis fall 2011.

**OCAP** has the capacity and infrastructure to implement and maintain successful college access, financial literacy and school training and oversight initiatives, and has decades of meaningful accomplishments in developing and executing school and community services. These initiatives are sustainable because they're embedded in the OCAP and OSRHE core enterprise and supported by a comprehensive, statewide student record system, a Web-based data warehouse, and OSRHE's high-speed network for education and government, OneNet. Among many other student support services, OCAP distributes more than 100,000 print resources, trains hundreds of Oklahoma high school counselors, and fields over 250,000 phone calls and emails from students and parents annually.

OCAP's financial literacy initiative, Oklahoma Money Matters (OKMM), is heavily involved in the financial community, including collaborative relationships with state affiliates of national organizations and supporting State Department of Education efforts to implement financial education requirements for Oklahoma high schools. Additionally, OCAP's policy and compliance staff has over 70 years of Title IV loan experience and actively participates on the NCHelp regulations committee, Common Review Initiative (CRI), steering committee for MYF, and Common Manual Governing Board. OCAP's senior reviewer has over 20 years of experience and has worked with Region VI staff, AAAD, and ED's Office of Inspector General Counsel to end school fraud and abuse.

**RIHEAA** has demonstrated through the development of partnerships and close working arrangements that staff are able and motivated to find solutions to higher education barriers. Overriding goals are to provide tools that are sustainable and use agency resources to continue to build WaytogoRI.org into a "digital super highway" where information about careers, college access, and financial aid can be accessed in one central location.

RIHEAA is viewed as an expert and trusted resource through participation in many college access and outreach programs, including partnerships with the Rhode Island Office of Higher Education, Rhode Island JumpStart Coalition, Rhode Island College Access Network, Rhode Island College Crusade, Rhode Island School Counselor Association, American School Counselor Association, NCAN, and Pathways to College Network. With respect to financial aid and college admission, RIHEAA staff actively participate in the Rhode Island Association of Financial Aid Administrators, NASSGAP, NASFAA, College Savings Plan Network, NEBHE, and New England Educational Opportunity Association. RIHEAA also works closely with the College Planning Center of Rhode Island, a college access and completion program administered by the Rhode Island Student Loan Authority.

#### **E. Improved services**

- Increased awareness of state-based scholarships and grants to maximize participation.
- Multiple grassroots and Web-based touchpoints with students, parents and borrowers to build aspiration, reduce barriers to postsecondary education, improve financial literacy and strengthen debt management skills.
- Training, counseling and mentoring on student financial assistance, including expanded FAFSA education tools for schools and educational services for students and parents.
- Increased number of targeted school reviews beyond regulatory requirements.

#### **F. Financing plan**

The Area III services provided by the agencies assuming both Area I and Area III responsibilities within the consortium will be supported through the funds received as a result of the collection retention process, including the retention received on the increased default portfolios transferred to them from the Area II agencies. Additionally, the consortium proposes that collection savings generated from the reduction in the rehabilitation retention be used to provide for funding of Area III services for those agencies assuming Area II responsibilities via the change in DAF funding.

#### **G. Explanation of efficiencies**

- Several consortium partners are state agencies that exercise consistent, data-driven public agendas to support state-based initiatives to prepare more students for college, graduate more students from college, and increase the educated workforce.
- Consortium agencies' long-standing relationships with schools and other partners as local service providers lend essential credibility to key messages and materials, and extend the reach and impact of ED services and those provided by affiliated national vendors.

- Consortium agencies' long-standing relationships with schools and other partners support development and delivery of customized information and tools that meet the unique educational needs of their respective states throughout the collegiate and student loan lifecycles, and extend opportunities for participating agencies to share best practices.
- Consortium agencies will be able to provide the following services in their respective states at a lower cost than ED due to proximity (lower travel expenses).
  - College access, aid awareness, financial literacy and debt management activities for students, parents, counselors, schools and community ambassadors.
  - School training sessions and, for applicable agencies, school reviews.
  - Enhanced capabilities and capacity for Area III services through localized community partnerships and the economies of scale those partnerships provide.

**H. Impact on continued financial and operational viability of consortium**

All guaranty agencies will continue to monitor the performance of the VFA to assure the continued financial and operational viability of the consortium. Agency financial officers expect the consortium to remain financially and operationally viable under the proposed VFA as a result of efficiencies noted above.

**I. Limitations on capacity**

The consortium can perform the activities listed for the Maine, Iowa, Louisiana, Oklahoma and Rhode Island geographic areas under the proposed financing method. The consortium would be open to expanding the geographic area for appropriate additional funding.

**J. FISMA**

The FISMA compliance process is ongoing. The consortium's system vendor, Sallie Mae, is taking part in this ongoing compliance process and reports that the guarantor system is on schedule to obtain FISMA compliance by fall 2011. Each participating agency is engaged in the FISMA compliance process and on schedule for compliance within a reasonable time period.

**VI. Proposal to perform GA Responsibility Area IV (Lender and Lender Servicer Oversight)**

The consortium proposes that ED allow the CRI to continue excluding guarantors who maintain collections functions.

Currently, out-of-pocket costs of CRI reviews are shared among guaranty agencies. Each agency also funds its own administrative and other indirect costs. Currently, there are no dedicated revenues for performing lender and lender/servicer reviews; agency costs are funded from general revenues. The true cost to perform Area IV activities through continuation of CRI needs to be covered by the VFA.

The services of those agencies performing Area IV activities within the consortium will be funded through the savings generated as a result of the reduction in the loan rehabilitation retention rate, which provides for the various DAF billings under this proposal.

**VII. Conclusion**

This proposal provides the following advantages:

- A valid and sound financial model that ensures cost neutrality to ED.
- Eliminates the poorly aligned incentives in the current guarantor structure by separating default prevention and default collections activities.
- Facilitates the delivery of essential college access, aid awareness and financial literacy services to schools and students in the partners' service areas for both FFELP and Direct Loan borrowers.

- Establishes a framework through which participating agencies could provide additional services for both FFELP and Direct Loan borrowers for appropriate supplemental funding.
- Utilizes a common servicing system within the consortium.
- Leverages participating agencies' established relationships and customized support services to maximize the effectiveness of ED efforts while minimizing federal costs.

# **Appendix A: Area III Activities, Performance Metrics & Evaluation Methods**

## **FINANCE AUTHORITY OF MAINE (FAME)**

### **ACTIVITIES**

FAME activities and services to promote college access and completion will include:

1. Promoting financial preparedness by providing financial education to elementary school, middle school, high school, college, adult, veteran and non-traditional students.
2. Participating in financial aid information sessions and workshops.
3. Distributing information via print publications, online content and activities, and in-person events.
4. Translating targeted financial aid and financial literacy materials for English language learners and their families.
5. Encouraging eligible families to apply for state-based financial aid programs.
6. Providing debt management information to college students, with a focus on at-risk students.
7. Providing and participating in training and professional development opportunities for school counselors, college access advisors, adult education advisors and college administrators.
8. Participating in college and career fairs.
9. Providing FAFSA completion assistance to students and families.
10. Providing aggregate data to partner organizations to support college initiatives, particularly as it relates to FAFSA completion data.
11. Partnering with colleges and universities to promote persistence and success, with a focus on at-risk students.
12. Promoting college aspiration and saving to all Maine families, with a focus on parents of newborns as part of the Harold Alfond College Challenge program.
13. Working with employers to create and/or expand college savings options for employees.
14. Providing a toll free number for students, families, schools, and colleges and universities to call when in need of financial aid and/or financial literacy assistance.

### **PERFORMANCE METRICS**

The success of FAME's outreach initiatives and activities will be measured using the following key performance indicators. The goal for each metric will be determined on an annual basis.

1. The percentage of high school seniors who submit the FAFSA by May 1 each year.
2. The number of Maine citizens with an associate degree or higher.
3. The number of attendees participating in workshops, trainings and other activities.

### **EVALUATION METHODS**

The key performance indicators will be measured using various approaches, all of which utilize third party verifiable data.

1. ISIR data will be analyzed each year to determine the FAFSA completion rate for high school seniors.
2. The number of Maine citizens with a college degree will be monitored using data from the U.S. Census Bureau's American Community Survey.
3. Attendance information will be collected at events and used to determine actual college enrollment and graduation rates by comparing to NSLDS, the student loan clearinghouse or another similar database.

# IOWA COLLEGE STUDENT AID COMMISSION (ICSAC)

## ACTIVITIES

The Iowa College Student Aid Commission will provide the following activities and services:

1. Provide all students in Iowa with access to the I Have A Plan Iowa Web portal. Web portal resources promote college-going expectations, assist in curriculum planning and other academic preparation, provide practical information for college planning, and provide career information and career decision-making assistance. The portal also provides information to students and families on postsecondary education benefits, opportunities, and financing; career planning and preparation; and other information that promotes financial literacy and debt management.
2. Provide all students in Iowa, including low-income and under-represented students, with access to an online financial literacy media platform. This media platform provides interactive instruction in financial literacy topics and student loan default prevention.
3. Coordinate and fund in-person and online outreach activities and events for students who may be at risk of not enrolling in or completing college. Iowa staff will develop and coordinate outreach activities throughout the state. In-person activities shall include, for example, evening conferences with students and families focusing on financial aid and college preparation.
4. Develop, coordinate, and fund in-person and online professional development opportunities for educators and financial aid administrators order to improve their capacity to assist students and families in planning, preparing, and paying for college. Iowa CACG staff will develop and coordinate professional development opportunities.

## PERFORMANCE METRICS

1. I Have A Plan Iowa Web portal tracking software will indicate that 30,000 students (of an anticipated total of approximately 38,000) entering 8th grade in Iowa in the 2011-12 academic year will create new accounts during the academic year.
2. I Have A Plan Iowa Web portal tracking software will indicate that during the first semester of the academic year (September 1 through December 31) the number of visits to the site will increase by 10 percent in over the previous year.
3. The proportion of Iowa high school seniors who complete a FAED will increase by 10 percentage points—from 73 percent in 2009-10 to 83 percent in 2010-11.
4. On-line assessments will indicate that 75 percent of students completing financial literacy training on-line will demonstrate substantial learning gains as a result.
5. The Commission will provide or fund training for 300 educators including counselors and administrators.

## EVALUATION METHODS

1. Conduct post-training assessments of financial literacy knowledge and related educational outcomes as a result of training.
2. Conduct post-training assessments of learning and practice outcomes as a result of professional development activities.

3. Track student college access planning and preparation outcomes through the I Have A Plan Iowa Web portal by means of the tracking technology built into this system.
4. Conduct regular, systematic, and formative evaluations of policies and activities related to this Responsibility Area, providing analysis of outcome measures and related evidence.

## **LOUISIANA STUDENT FINANCIAL ASSISTANCE COMMISSION (LASFAC)**

### **ACTIVITIES**

LASFAC, through its administrative arm, the Louisiana Office of Student Financial Assistance (LOSFA), provides comprehensive college access and outreach activities to emphasize that postsecondary education is truly accessible to all Louisiana students, and educates students, parents, counselors and community partners about preparing, planning and paying for college.

1. Conduct college access outreach events around the state that detail the variety of available state and federal financial assistance programs. These events will be available to public and non-public high schools, middle schools and GEAR UP camps, faith-based organizations, and general public venues (e.g. libraries, civic organizations).
2. Provide training workshops for more than 2,000 high school/middle school guidance counselors statewide in partnership with financial aid professionals to ensure counselors have the latest information about state and federal aid programs.
3. Continue to coordinate Louisiana's *College Goal Sunday* program, which is administered in conjunction with the Louisiana Association of Student Financial Aid Administrators (LASFAA) and designed to help Louisiana's college-bound students and their families - particularly low-income and first-generation college-bound students – understand the aid process and complete the FAFSA. In 2010-11, LASFAC conducted *College Goal Sunday* events at 14 locations around the state, through which participating financial aid administrators assisted more than 800 families with completion and filing of the FAFSA.
4. Produce and distribute college access and financial aid publications, brochures, bulletins, newsletters and posters explaining the student financial assistance programs available to Louisiana students.
5. Maintain the agency website, [osfa.la.gov](http://osfa.la.gov), which offers a wide selection of useful financial aid information. As state administrator of the CACG, LASFAC will launch a comprehensive new interactive Web-based portal, LAConnect ([louisianaconnect.org](http://louisianaconnect.org)), in October 2011. LAConnect will include the following college access and career readiness services for all Louisiana students:
  - Capability to create and track a five-year plan beginning in the 8<sup>th</sup> grade as required by the Louisiana Board of Elementary and Secondary Education.
  - Scholarship searches, financial aid information and student loan resources and tracking.
  - Access to college applications.
  - Financial literacy resources.
  - Internship matches and information about state and national job market trends.

6. Sponsor the annual Trailblazer program, a unique approach to training high school students about financial aid. The program includes a comprehensive three-day training workshop on a college campus for the purpose of educating select high school juniors about the college admission process and how to obtain financial assistance for college. Upon return to their high school campus and under the supervision of the school counselor, the ‘Trailblazers’ are expected to use every opportunity to share their knowledge of financial aid with their peers.
7. Build on existing financial literacy services to include student education on budgeting, credit cards, debt management, default prevention, and scholarship retention, as well as professional development and default prevention strategies for college aid officers.
8. Continue to provide audit/compliance staff with a state and federal mission to review secondary and postsecondary institutions for compliance with federal and state laws and regulations. Over 80 institutions are audited annually with a compliance rate at or above 90 percent.

## PERFORMANCE METRICS

1. Continue to track FAFSA completion.
2. Continue to work with SHEEO to evaluate college-going rates.
3. Track percentage of students on track for state scholarships, college admission, etc.
4. Track numbers of START (college savings) Plan accounts opened and rate of disbursements for college enrollments.
5. Track behaviors based on retention of college scholarships and grants (suspensions, cancellations, renewals, etc.).

## EVALUATION METHODS

1. Pre and post surveys of student attitudes.
2. LAConnect will have capability to track progress towards student goals.
3. Financial Aid Data System (Board of Regents) can query for award data and retention.
4. LASFAC Award System can track for scholarship retention and continuation.
5. Independent contracts may be identified and utilized (i.e. MYF).

# OKLAHOMA COLLEGE ASSISTANCE PROGRAM (OCAP)

## ACTIVITIES

OCAP’s comprehensive college access and outreach program, **UCanGo2**, emphasizes that postsecondary education is truly accessible in Oklahoma, encourages student aspiration, and educates students, parents, instructors, counselors and community partners about preparing, planning and paying for college. OCAP’s financial literacy program, **Oklahoma Money Matters** (OKMM), supports personal finance education through targeted outreach and strategic partnerships, working collaboratively with higher education campuses, K-12 schools, industry partners and community organizations to provide customized financial education programs and services.

1. **Training for counselors, instructors, administrators and service providers.** OCAP trains hundreds of middle and high school guidance counselors and serves as Oklahoma’s state coordinator for the National Training for Counselors and Mentors (NT4CM) program. OKMM also provides financial education training for K-12, higher education and social services educators and administrators.

2. **Campus and community activities.** OCAP participates in numerous campus and community activities, including more than 60 college fairs each year and collegiate freshman orientation, and provides FAFSA, personal finance, and student loan management workshops across the state. Community partners include public libraries, Oklahoma Department of Human Services, Smart Start Oklahoma, Federal Reserve Bank, Oklahoma Department of Career and Technology Education, Oklahoma Association of Community Action Agencies, Oklahoma Bankers Association, YMCA and YWCA, TRiO and GEAR UP programs, and tribal governance.
3. **Print publications and tools.** OCAP produces and distributes a wide variety of college planning and financial education print resources to schools, students and families, including:
  - College planning toolkits for middle and high school counselors.
  - College readiness and financial aid booklets for students and parents.
  - Personal finance guides for students, adults and low-income families.
  - Annual action step checklists for middle and high school students.
  - FAFSA flyers and posters and specialized aid materials (loan discharge and forgiveness, veterans programs, loan proration and interest rate tools).
  - Student tools for career planning, course tracking, campus visits, college fairs, budgeting, banking, consumer credit, managing student loans, and preventing identity theft.
4. **Multimedia and Web-based publications and tools.** OCAP's website network (OCAP.org, UCanGo2.org, OklahomaMoneyMatters.org, OKCollegeAccess.org) offers extensive college planning, financial aid, personal finance, and student loan management information and tools. Special features include podcasts, vodcasts, an interactive user forum, an online resource clearinghouse, and self-paced financial education curriculum modules, as well as social media profiles on Twitter and Facebook. OCAP also produces a monthly e-newsletter for campus and community partners and periodic e-blasts to call attention to important regulatory, fiduciary and legislative updates.
5. **Student and parent hotline**
6. **Consulting and program development services**
7. **Oklahoma College Access Network (OK-CAN).** OCAP recently launched OK-CAN (OKCollegeAccess.org) to unite the efforts of various organizations – including schools, philanthropic and nonprofit organizations, government entities, tribal and religious organizations and other community partners - that work to make education after high school more accessible to underserved, first-generation college-going Oklahoma families.
8. **Oklahoma's Promise scholarship program.** OCAP dedicates significant revenues to fund a statewide media campaign for the state's signature scholarship program, Oklahoma's Promise, as well as administrative costs for Oklahoma's Promise and the Oklahoma Tuition Aid Grant (OTAG).
9. **School reviews.** OCAP will perform biennial program reviews for Oklahoma Title IV schools with average student loan repayment rates in the lowest 20th percentile, if this data is available. Alternatively, OCAP will perform biennial program reviews for Title IV schools with cohort default rates in the highest 20th percentile. School selection will be based on the average of the two most recently published repayment rates or cohort default rates.
10. **Regional and localized school training and assistance**

## PERFORMANCE METRICS

1. Increase the percentage of Oklahoma high school seniors completing the FAFSA.
2. Increase the college preparation of Oklahoma students from underrepresented groups.

3. Increase enrollment in the Oklahoma’s Promise state scholarship program.
4. Increase number and scope of community partners as higher education ambassadors.
5. Increase number of reviews beyond regulatory requirements.

## **EVALUATION METHODS**

1. Surveys to determine target audiences’ educational needs and satisfaction with services.
2. Post-training assessments to gauge target audiences’ knowledge in key areas.
3. Tracking student outcomes through Oklahoma’s comprehensive, statewide student record system and Web-based data warehouse.
4. Cohort default rate margin comparison.
5. Engage an independent organization to evaluate the efficiency and effectiveness of delivered services.

## **RHODE ISLAND HIGHER EDUCATION ASSISTANCE AUTHORITY (RIHEAA)**

### **ACTIVITIES**

1. Building on the success of the WaytogoRI.org interactive Web portal, RIHEAA, working in partnerships with Rhode Island Department of Education and Office of Higher Education, will develop and implement a statewide electronic transcript system. The e-transcript is part of the Longitudinal Data System currently being developed by the Rhode Island Department of Education.
2. Continue to provide professional development training for elementary, middle and high school educators in a variety of modalities – webinars, conference calls, and on-site training tailored to the needs of the administrators.
3. Enhance the WaytogoRI.org site by developing relationships with additional entities, such as the Rhode Island Department of Labor and Training; Department of Children, Youth and Family; Boys and Girls Clubs; and YMCA to determine ways RIHEAA and the WaytogoRI.org website can be of use to these organizations.
4. Increase usage of WaytogoRI.org.
5. Increase FAFSA on-time completion rates and pilot a pre-FAFSA project with ED. Have all high school juniors complete a FAFSA, and have the results sent only to RIHEAA, which can provide financial aid counseling based on ISIR data.
6. Working with RI’s 529 College Savings Plan (*CollegeBoundfund*), encourage more families to start saving for higher education. RIHEAA currently has the CBf Baby Program and CBf Matching Grant Program. Each program provides “seed or matching” funds to Rhode Island participants.
7. Provide default management workshops and financial aid officer professional development on financial literacy, default aversion and prevention services.
8. Develop a ‘digital mentor’ program incorporating the Rhode Island Mentoring Partnership and WaytogoRI.org.
9. Develop and implement an annual survey using WaytogoRI.org for students to gauge changes in career aspirations, school planning and college goals starting in the 6<sup>th</sup> grade.
10. Translate the *Paws in Job Land Activity Book* into multiple languages.
11. Translate the parent section of WaytogoRI.org in Spanish.

## **PERFORMANCE METRICS**

1. Increase the number of Rhode Island students filing the FAFSA on time.
2. Increase the number of Rhode Island students applying to college.
3. Increase the number of Rhode Island families enrolling in the CollegeBound*fund* and qualifying for the CB*f* Baby and/or CB*f* Matching Grant programs.
4. Increase Rhode Island students' college awareness and understanding of the importance of taking the SAT.
5. Reduce the cohort default rate for Rhode Island post-secondary schools.

## **EVALUATION METHODS**

1. Establish FAFSA completion benchmark for each Rhode Island high school. Provide additional FAFSA workshops to lowest rated schools. Measure FAFSA completion rate in the following year.
2. Perform college application workshops and parent financial aid presentations at schools with lowest college-going rate.
3. Perform pre and post test surveys using WaytogoRI.org on topics such as college cost, admission requirements, etc.
4. Establish an SAT completion benchmark for each high school. Work with schools to improve participation rates.
5. Monitor cohort default rates for all schools and work with "at-risk" schools.