

Richard:

First up will be our presentation on the central processing system. It'll be done by Ginger Klock and Jody Sears. Ginger and Jody are supervisors in Federal Student Aid's Business Operations Program Management Services Application Processing Division.

Ginger has also served as a manager for EDEExpress suite of software and as team lead for EDEExpress. Prior to joining Federal Student Aid in 1999, she served as Financial Aid Administrator and Director for over 15 years at a variety of institutions, including public, private, and proprietary.

Jody has supported EDEExpress as well as participation Management Enrollment in CPS Mainframe and Processing. Prior to that, she worked as Direct Loan Client Account Manager supporting EDEExpress testing and training. Jody has also served as Financial Aid Administrator for a small proprietary school for five years before joining the department in 1998. Please welcome Jody and Ginger. Thank you.

Ginger Klock:

Good morning, like Richard I welcome all of you to our software developer's session this morning and I hope you find the information informative and helpful for you as you go forward with this year. It's been a busy year for us. There are not a lot of huge changes to the central processing system, but there are lots of changes to our website, which has really kept us busy.

And, of course, Congress has also been keeping us busy with regulatory stuff that had to come out so we're going to make some references to some of this new regulatory changes that have been made this year that certainly impact the central processing system.

Our brief agenda here today is we're gonna talk about FAFSA changes, the central processing system changes that then lead to the ISER changes and we're gonna of course tell you a little bit of information about one of your favorite topics, the CPS test system and we're going to leave a section on important dates at the back for your references. You can look this up, it's just reference material about when important publications and software posting and website posting's gonna take place.

The 2011/12 FAFSA changes include changes that are being made to the paper FAFSA as well as the changes that then result in the website changes so I'm gonna point out a few of those to you.

Oh, okay. It's not going? Can I do this? Okay. Oops, I went backwards. Little technical difficulty here to get us started.

The first change that I want to talk to you about is a change that was as a result of recent regulatory changes. A final **rag** was published on October the 29th and you can go out to IFAP and find this under federal registers. It was actually three different postings and it's very, very comprehensive, but as a result of this, one of the things that we had to add to, that we chose to add to the CPS was a collection of high school information for the applicant about what high school they attended. For paper applicants, the student will fill out – if they fill out question 26 and indicate that they have a high school diploma, they will be directed to answer question 27 where they will be given an opportunity to fill in the name of the high school, the city and the state the high school is in.

Whoop, hope you can hear me over them. If they selected a GED, General Development Education, Education Development Certificate or Home Schooled, or they chose none of these, then they will be directed to skip to question 28. But on the web, we have tried to make this dynamic. So if the student indicates that they select the answer high school diploma and they indicate they are a grade level of zero, never attended or one, previously attended first year, then we will dynamically present the high school questions to them.

Jody will go into how this will work and what kind of output we'll have about this a little bit later in the presentation. These are correctable fields by FAA Access FOTW, EDE, Electronic Data Exchange and also by the Federal Student Aid Information Center can also make these data entry corrections in customer service for the student. Did you move? I'll do it. Oops, I keep going backwards.

Okay, we did modify one question removing the inquiry about interest in loans so the question now reads, "Are you interested in being considered for work-study?" That's question 31 on the FAFSA and we deleted two questions about the student's expected enrollment status for the coming year as well as was the student planning to do teacher course work,, to complete teacher coursework. Both of those questions were removed.

I'll get this down before I finish. We did add, as a part of the secretary's ongoing simplification process, we wanted to give students whose eligibility would not be affected by providing asset information and whose state grant agencies do not require them to provide asset information to be able to skip the asset questions so the web will dynamically present an asset threshold question with

the value of the asset protection allowance. So basically, based on earlier questions answered, we will determine the age of the older parent and a marital status or the age of the independent student and marital status to be able to determine for some people who are SMT eligible to give them the opportunity to skip the asset questions and so we will not be presenting to them asset questions, which will shorten the application process for them.

We've also revised, for clarity, to be sure that people understand, for question 43D for students, and question 91D for parents that this is taxable student grant and scholarship information that we're asking about. So we've added taxable to that to make it clear to them that this is the only part that should be included in that question. We wanted to let you know that the federal register draft was posted on September the 16th with the FAFSA in it and the 60 day comment period ended on November 15th and you should watching shortly for the publication of the final draft of the 2011/12 paper FAFSA application if you want to take a look at that and are interested in that. Now I want to talk about some of the changes, some of these changes and some other changes that we made that affect how the central processing system works.

I got it. As you know, annually we make changes to how the federal methodology that's published in the statutory law affects the calculation of the estimated family contribution for students and this year one of the recent legislative changes that we've made changed the income threshold for auto zero EFC from \$30,000.00 to \$31,000.00 so we've made that change in the central processing system.

We've also updated the needs analysis tables income protection allowance as well as asset protection allowance and if you notice the asset protection allowance tables will have gone down this year from prior years and if anyone has an interest in knowing why that happened based on the calculation of the Bureau of Labor's income statistics as well as other things, I've got it written out and I can show it to you if you care. But we just wanted to point out to you that that did go down.

On May 27th, the federal register for the changes to the 2011/12 needs analysis tables was published and on October 13th, we posted the EFC formula guide for the calculation of the EFC if you want to do a hand calculation to figure out how we arrived at the answers.

Okay, we've also added a new edit. You may recall that Iraq/Afghanistan Service Grant was implemented in 2010/11 and this provides additional title for assistance to eligible students whose parents or guardians was a member of the Armed Forces and died as a result of service performed in Iraq and Afghanistan since September 11th, 2001.

A new edit in the CPS will generate a comment if someone has an overpayment. If a school reports an overpayment for a student on their Iraq/Afghanistan Service Grant and also another comment will give you the contact information of the school who set that **over award** and those are in **comma** codes 309 through 314.

As I described in slide six, we added a new asset threshold question which presents some FAFSA on the web applicants with an asset threshold, the question that will determine if they should answer asset questions. We have a reject one in the CPS, which is for students whose records did not meet the criteria for SMT, but they left one of asset questions blank: cash, savings, and checking, real estate, investment, and net worth, and business and **farm** net worth. So in order to prevent those students who weren't presented with the asset questions from being given a reject one, we've changed the edit so we'll not give a student a reject one edit if they left those questions blank because we never showed them to them. So that reject has been changed slightly.

Okay, unlike loans written off by the Federal Student Aid for disabilities, if the Veterans Administration determines that a veteran is permanently and totally disabled, those loans are not eligible for reinstatement and so we are going to let schools know if a loan was written off because of a determination made by the Veterans Affairs office instead of by a Federal Student Aid and so we're adding a new valid value to the loan status codes of VA so schools will now know that this loan was written off by Federal Student Aid based on a determination by Veterans affairs so in addition to that, you all know that the funding for the Academic Competitiveness Grant ended with 2010/11 and so we are removing the questions from being presented to students on FAFSA on the web and we are also removing the comments, however we are not removing the fields from the ISER record layout so you will see those on there, but they will always be blank for 11/12 and we just wanted to let you know that. And now Jody's going to talk to you about how these changes impact the record layout.

Jody Sears:

Good morning everyone and thank you Ginger. We're gonna now review the changes that you can expect to see on the ISER records and in many instances, the changes that we're gonna reference sound very much like what Ginger covered, but now we're going to look at how those CPS changes that we've mentioned will impact the ISER record layout in that output document.

First we'd like to remind everyone of the global changes that you can expect to see. As you know, every year we post the draft of the EDE technical reference as early as we possibly can for software developers so if you're new in your role as a Federal Student Aid Software Developer, you can download this document from FSAdownload.ed.gov just like all of our other user documentation. And we'll touch more about that toward the end of this presentation. Yeah, ISER record will continue to follow the question order that appears on the paper FAFSA and that's a format that we've used for many years and also the record layout length has increased by 100 from 4150 bytes to 4250 bytes based on some of the changes we're going to be talking about in the following slides.

And the ISER record will continue to come in the flat file format, also a format we've been using for many years. And just for your information, this presentation isn't going to be an exhaustive view of the entire record layout, but you can have that full review by referring to EDE Technical Reference section three.

As Ginger mentioned, we've added three new fields to collect a student high school demographic information. Those newly added fields will be in positions 30 through 32 on the ISER record layout. If an applicant's high school information is found in the NCES high school list, the CPS will print that high school name, city and state on the SAR and on the ISER. The high school code will only print on the ISER and you'll see why in the next slide.

The new high school flag results will print where the other match flags print in the FAA section of the ISER and you'll either see a Y value or a value of blank. A Y indicates that a student attempted a search, they provided information and attempted to search to match their high school information, but a match couldn't be found. And it could also be if the student submitted a paper FAFSA and what they've provided in that particular section on the FAFSA wasn't legible. Those are the only two instances where you would see a Y in that field. If a match was successful or a student wasn't required to answer those questions, the field will always be blank.

And as we mentioned, the high school code will print on the ISER and this slide actually notes all the possible valid values. There are instances, as we've mentioned, where we won't be able to provide the results based on what the student entry provided and in those cases, we'll print all zeros, or all eights or all nines depending on what the applicant entered as it meets those conditions that we've noted.

One final note, the high school code information is being collected only for FSA's analytical purposes, at least for 11/12. It's just for FSA use only so it won't be a part of any of your processes.

As Ginger mentioned, you'll be able to identify loans that have been discharged by the Veteran Affairs for total and permanent disability with the new VA loan code status. This loan code status is found on the NSLDS history section of the ISER in the SAR and if you're looking in FAA access, the loan status code can be found on the NSLDS page under Defaulted Discharge Detail or Loan Detail Information.

The automatic zero EFC Indicator, which is field 221 has been revised to set the indicator to Y, automatically if the simplified needs test is met and the taxable income is \$31,000.00 or less. And as Ginger mentioned, we've deleted the enrollment status question and also the completing teacher coursework questions from the FAFSA so those will also be removed from the ISER record layouts. And we revised the question for field number 37, Type of Aid Received. The question now reads, "Are you interested in receiving work-study?" Meaning we've removed all the references to loans and because we changed how that question was worded, we also had to change the valid values for the responses to make the responses appropriate for the question as it's presented this year.

We've changed the valid field content for the verification tracking flag in field number 360, which is, again, for Federal Student Aid use only, but where you used to see only numeric characters in this field, you'll now see alpha and numeric characters in that field.

NSLDS implemented changes and data sent to the CPS so we've added two new fields. NSLDS will send the Iraq/Afghanistan service grant overpayment flag and contact information for student's who've received an overpayment in this program. The fields work just like all the other overpayment flags and the contact fields **work** currently for other instances just like that. And field number 378, there will be a one character field for the

overpayment flag and in field number 379, we'll provide the overpayment contact information in that field and the valid field values include the numeric school code n/a for not applicable or Y if more than one school is reporting an overpayment.

We've also made some revisions in field numbers 175 and 176 related to the IRS request flag definitions for students and parents. For each field, we've modified the text for value 03 as you'll see on this slide and we've also deleted the value 05 and 06. Last year we had those fields and we just called them to be determined and we determined we don't need them so we got rid of them. And then we also provided a description to define the blank value. We've added a little star next to the 02 field value because that's the field that FAAs are going to want to see there.

All right, we're going to talk a little bit about the central processing test system and we know as software developers you're familiar with the CPS test system, but I just wanted to share a couple of notes about important dates regarding this topic.

The draft application – pardon me? It didn't change? Let me try it. Here we go. The Draft Application Processing Software Developers Specifications, one of the longest titles, was posted on August 12th and, as you know, we post updates as they're needed.

The CPS test system assist you with confirming that your system can meet the specifications for interfacing with the central processing system and also to ensure that you're calculating the correct EFC results. It allows you to test applications and corrections and also to see if you can receive ISER data.

The test system will be available around mid-December and it remains available through the end of the processing year. The test system user guide was posted on October 13th so if you haven't already had a chance to review it, it's out there and waiting for you. And we'll send an electronic announcement at the time that the test system becomes available and goes live.

Test files are also available at FSAdownload and as always, we provide separate input and output files and again, we'd like to remind everyone that the CPS system is in test itself until it goes live on January 3rd.

And finally, we wanted to share some news regarding some changes we've made to the user documentation. Oops, did you help me? Okay. I'm not going to spend a lot of time on these last

two slides, but I want to ask, from last year, how many of you were here last year and participated in the focus groups we had on user documentation? I got a couple of hands. I want to let you know that the feedback we received from you, the software developer, and also some of your colleagues in the Financial Aid Administrators, we were able to get some really helpful feedback to make the user documentation even better and more useful. And we've made some significant changes this year so I wanted to share with you what your comments helped make happen.

We received universal recommendations that we combine the three process guides so for 11/12 instead of having a summary of changes guide, a school products guide, and a student web application's guide, we just have one summary of changes guide. This summary of changes guide includes some information about our school and student products, but in particular, it's not going to have as much technical school product information because that information's available in other areas like the EDE Technical Reference.

And the other change we've made is, particularly from Financial Aid Administrators, they wanted us to create bulleted lists that identified the key important changes that we've made each year and they used that as a way of training other staff to prepare for those new changes in our products. So we've posted that list in the summary of changes guide as well.

We're also working to improve the format and information that's included in our documentation like the ISER guide and our EDE Technical Reference and for those of you who feel that you've already got too much to read and to keep up with all the activities from the department, we're working very hard to consolidate any information in our publications as duplicative and that we're not reprinting the same information in several guides to make it a little more streamlined.

So we're still interested in learning about what you think about our user documentation and it's our goal to make it as widely used as possible to support things that you do in your office. So if you have more ideas, please share that on your evaluations if there are ways where after you review what we've done this year, and you can think of other improvements that we can incorporate, we're really interested in collecting that information from you.

So one other thing I want to point out, at the end of this presentation you'll see a series of slides that identifies some

important dates and delivery of publications that you'll want to be up to date on before the 11/12 year begins and with that, I think we can field questions if you have any.

And if you have questions, the microphones are in the center. And don't all come at once. Yay, we've got one. We got a taker.

Jan Levsen: Hi, I'm Jan Levsen from SunGard. I've got a couple questions for you.

Jody Sears: Okay.

Jan Levsen: Are there changes in the final FAFSA layout? I mean, we've had the draft, but the final's coming out. Are there additional changes that we need to be aware of?

Jody Sears: At this time it's final.

Jan Levsen: Okay, great.

Jody Sears: As of today that's true.

Jan Levsen: Okay. When students go onto the website and do the FAFSA on the web, they're allowed to put in a partial address or a foreign address and then when we go to the COD site, it's not allowed. It's kind of a combination that there's not an edit happening on the FAFSA site and then COD isn't validating the scheme of when it's importing the data so that when we go to process the data, we get scheme validation problems in the process. So either we need to allow those addresses or we need to somehow tighten up the validation and the edits to make sure that happens rather than at the last minute.

Jody Sears: Okay.

Ginger Klock: The CPS is aware that there are conflicts especially like in foreign school numbers and initials and stuff like that and we have had conversations, but right now we certainly appreciate your comment and we will continue to work toward improving that and I think one of the things that may be the person record management system will help us with is finding that information and coordinating it throughout FSA so you'll want to stay tuned for that presentation.

Jan Levsen: For sure. Okay. I'm going through my notes here. Nobody else has questions?

Ginger Klock: We can always trust that Jan has a question.

Jan Levsen: Yeah. I think that was all that I had for you guys. Thanks. I have one more on the testing. When we go out to deliver software to our clients, a lot of times we'll use a beta tester or something and for all the products I'd like to see that maybe you guys use us a little bit more in that way, that with the FAFSA and even with COD that we can active partners and actually do real testing and we provide feedback back and forth so that before it goes out the door we make sure that it's really working for everybody.

Ginger Klock: Maybe afterwards you can come up and talk to some of the COD people and Jody and I and we can sort of capture some of what your ideas are about how you all can participate. We're glad to have your comment. Thank you.

Jody Sears: Thank you. Good morning.

Cliff Smallwood: Good morning. Hi, I'm Cliff Smallwood, Campus Management. I just had a question about your CPS test system. It looks like it's about a month later than in previous years as far as being ready, we could do most of the testing ourselves without having the CPS test system. We can open the files and validate them, but the one part is the test ISERs. Are those going to be made available any sooner than December 12th?

Jody Sears: This year, no. They will be – but what I'm hearing is that it would be helpful if they were available soon.

Cliff Smallwood: Oh, certainly it would if tried to get the software out, but thank you.

Jody Sears: All right, I'm taking that down as a comment. Thank you.

Ginger Klock: Can you go to the microphone please?

Pat Weigel: Pat Weigel from Datatel. Can you just follow up on the reasoning on why that test date is about three weeks or so later than when we normally get it? That really causes a big problem for delivery of the software to the schools.

Jody Sears: Right.

Ginger Klock: Terry is telling us – our test system developer is telling us that there wasn't a lot of usage any earlier last year and so we didn't

anticipate that people needed it. We put it out earlier last year and we didn't see a lot of activity and so we didn't think that it mattered, but we'll certainly take that into consideration now that you brought it to our attention. How many of you would like to see it earlier?

Jody Sears: Okay, it matters.

Ginger Klock: Okay, thank you.

Dava Alsley: This is Dava Alsley from Region Education. We really, all the vendors really rely on those CPS test files to test our own software before we even go into the CPS test system and some of the vendors are mature enough that they don't need to go through the CPS test system, but others are not and so that particular file is really, really important so perhaps you can get it out this week.

Jody Sears: Thank you.

Ginger Klock: What'd she say?

Jody Sears: Test files earlier. Okay, thank you.

Jan Levsen: Okay, and the burning question on everybody's mind is XML ISER.

Jody Sears: XML.

Ginger Klock: At this time, we still don't have any plans to move to the XML ISER.

Jan Levsen: Okay, thank you.

Ginger Klock: We've sort of slowed down our conversations on that as well.

Jody Sears: Any more questions?

Ginger Klock: How many people here would like for us to go to an XML ISER?

Jody Sears: Okay.

Ginger Klock: How many of us don't want us to go to an XML ISER? Well, at least we're pleasing a few people this year.

Wendy Sang: Hi, I'm Wendy Sang from the City University of New York. The new question on the new ISER **threshold**, with that it doesn't look

like it's on the ISER anywhere so how would I know that you're suppressing reject one because of that question?

Ginger Klock: Yes, it's not being captured this year on the ISER, it's for our purposes. It's just to determine whether the skip logic on the web should work or not.

Wendy Sang: Right, but you're also suppressing reject one based on that question.

Jody Sears: It's a little bit hard to hear you, if you could speak up just a little bit, we might be able to –

Wendy Sang: In your reject, reject number one, it's mentioned that you would be suppressing that reject if that question is answered some way –

Ginger Klock: We're suppressing reject one for those people who qualify based on the asset threshold question and not have to answer the questions and therefore they would be left blank.

Wendy Sang: Yes, but I wouldn't know that, the student answered the question and that's why reject one is suppressed.

Jody Sears: No, there will be a way for you to know if the person was presented with the question and they answered no, or if they were presented with the question and they answered yes that they do have assets greater than the amount that was displayed to them. And –

Ginger Klock: Can they know?

Jody Sears: Yeah, there is a way to know and I'm sorry. I'm just not recalling it to my mind at this moment, but I will have that answer for you by the end of this conference. I'll be able to give the answer.

Wendy Sang: Okay, good.

Jody Sears: As far as I can tell.

Wendy Sang: *[Inaudible Comment] [Crosstalk]*

Jody Sears: But there is a way for you to know whether or not they were presented with that question and that was – no, it's in my notes. It's in my notes in another presentation so I know it's there.

Wendy Sang: Okay, thanks.

Jody Sears: But I'll share that you with you before the end of the day. All right, it looks like we have – oh wait, no we do have some more questions.

Matthew Holland: Hi, good morning. My name's Matthew Holland. I'm with the Fashion Institute. Let's see, we had a very frustrating year being our first year in direct loans and dealing with the discrepancies between CODs MPN status for endorsers, you know when there's a **pluson** involved and it EDExpresses' interpretation of that. Am I to understand that from the COD technical reference for 11/12 that there will not be a pending status for **M hand and in express**?

Ginger Klock: A pending status? I think there is. I think it's just a different code, but I'm sorry our EDExpress person is not here yet.

Matthew Holland: Okay.

Ginger Klock: You all don't know how EDExpress will handle pending? Yeah.

Matthew Holland: I've got – it's okay, I've got that COD reference open right here. I'm looking at it and it looks like it's not going to be interpreted.

Ginger Klock: There are lots of sessions on EDExpress and if you can go there, Bob Martin will be there and he can answer that question for you. And I apologize. I didn't have that clear in my head.

Matthew Holland: Oh, that's okay. As long as I have the microphone, can I ask you to just speak about the problem that happened this year where EDExpress folks did not know and I assume other developers did not know that the COD NPN status was going to be coming across as P versus X. Can someone speak to that?

Ginger Klock: I can speak to it. I think we just weren't made aware. There was just some communications there that didn't clarify. I know that decisions are made in COD about how they're going to communicate out and it didn't get communicated that we already used that valid value in EDExpress and I'm sure maybe many of you do based on how we do it. Maybe we could talk offline about it. I'm sorry, I'm not on top of everything in EDExpress right now although I have people who will be here who are and they can answer those questions for you.

Jody Sears: But essentially, it wasn't right. It was just a *[Inaudible Comment]* *[Crosstalk]*.

Ginger Klock: It was an issue and we are working very hard to set up some processes at Federal Student Aid so that we – and we have already started working much more closely with the COD staff and we've set up some specific processors to meet regularly and keep updated on the changes that are changing place there that do impact us and to notify the community so that they can make those changes. We realize you're in the same boat we are with EDEExpress and so we will try and do that.

Matthew Holland: Yeah, and I definitely am hearing you saying that you're hearing me and I appreciate that.

Ginger Klock: Yes.

Matthew Holland: But words can't describe the frustration of what we went through this year and not us personally in this profession, but I mean the students as well.

Ginger Klock: Sure, sure.

Matthew Holland: We really significantly affected a lot of people's lives this year by bringing the system up in April and then having COD and EDEExpress not aware of what the other one was doing and it's my understanding that those meetings have been happening for a long time, that there's regular – maybe it's a Wednesday meeting, I'm not sure, but I understand that EDEExpress and COD folks meet every week. And that's been in place for a long time so.

Ginger Klock: There's a lot of topics to cover and I'm sure there was just some miscommunication there and I apologize to you and everyone in the room for that and we were aware of it, it was frustrating. We heard from our own users and we, like I said, have instituted some new processes and we have some new staff people who's jobs are to specifically watch for those changes and communicate them so I hope it's better in the future. And I apologize.

Matthew Holland: Yeah. Thank you. Thank you, I appreciate that. Last comment on this issue though, just so you know. The most recent, which is about a month old, version of the COD Technical Reference for 10/11 still erroneously says that COD is going to be providing status of X for pending MPNs. So it really – somebody needs to look at what's going on as far as the COD Technical Reference. There's concern because our programs can't work with business rules that aren't being followed by –

Ginger Klock: Yeah, that's right.

Matthew Holland: You know.

Ginger Klock: Yeah. Well, we will certainly make a note of that and see if we can't figure out what the issue is here and get it resolved. I appreciate your comment, thank you.

Matthew Holland: I will –

Randy Timmons: I'm sorry. Randy Timmons, Sigma Systems. First of all, thank you for the very, very detailed information. It's very helpful for our developers. We're getting a lot of pressure to remove this proliferation of Social Security numbers across the board, is there any initiatives to go ahead and not use Social Security numbers as the driving force behind exchange of financial number at the department?

Ginger Klock: Well, I can say that the law provides that we can collect Social Security numbers because we need that information in order to determine matches with other agencies, which are very critical to our processes, which are also in the law. I think maybe some other systems that we're bringing up, we're having some discussions about creating a, and you'll want to stay tuned, what we're calling a financial aid account number and so maybe we can talk about how that – this feedback is very important for us to be able to move ahead in determining that that's a need that needs to be done so maybe we can move from collecting at once and us holding it and then communicating throughout the universe with some other number that's associated uniquely with that student.

Randy Timmons: I totally agree. Architecturally I think maybe the first contact with a school needs to be Social Security oriented and then from that point on maybe some sort of other type of identification.

Ginger Klock: Well, stay tuned because Renee may have the answers for you. Hopefully.

Jody Sears: *[Inaudible Comment] [Crosstalk]* that'd be good.

Randy Timmons: Oh, okay. All right. I'll certainly wait.

Ginger Klock: You won't want to leave. Huh? Yeah, you'll want to stay through the last presentation. Well, the next to last.

Randy Timmons: Oh, through the last – oh, so I can't leave at lunch is what you're saying?

Ginger Klock: The next to last presentation.

Jody Sears: That's right.

Randy Timmons: Oh, okay. **Hello**. Okay, okay.

Jody Sears: No Disney tickets for you.

Randy Timmons: All right, thank you.

Ginger Klock: Thank you for all your comments. We certainly listen to what you have to say and we're doing the best that we can to make all of this work between all of these universes. It's very, very complex. Are there any more questions about CPS? If not, Jody and I say thank you very much and appreciate your feedback and we'll be here throughout the day if you have additional comments. We'll be happy to speak to you.

Jody Sears: Thank you.

Richard: Okay. So I figured it out. I'm nervous about standing up there so I'm gonna stand down here. They gave me the wireless mic. Now we were supposed to have a break at 10:00, but what I'd like to do is to push on and allow you all to head out to lunch a little earlier. So we're going to move on with the COD update.

We have Wendy **Jarod** and Dan Sullivan who are going to do the presentation. Wendy joined business operations about a year ago at Federal Student Aid and has over 15 years of experience with direct loans and the COD system.

Dan Sullivan is a Senior Program Specialist and Business Operations Program Management Services, Grants and Campus based division. He has worked for the Federal Government for over 34 years, starting with Office of Education when the Office of Education was under Health, Education, and Welfare. Dan has served in a number of different jobs throughout his career with the Federal Student Aid Grant Programs, Policy Analyst, Program Analyst, and Program Operations Specialist. So join me in welcoming our two next speakers.

Dan Sullivan: Good morning all. *[Clears Throat]*. Excuse me. This is the agenda today. I'm going to talk a little bit about the Iraq/Afghanistan Service Grant Program, the two different releases we've set up to deal with that in COD, two Pell's in an award year a little bit, then the next main release, the COD release, 10.0, the main release for the 2011/12 award year, the secession of the ACG

and National SMART Grant Programs, the 2011/12 Pell Grant Initial Authorization Change and I'm going to talk a little bit about some new data elements we're collecting with release 10.0, the 11/12 award year, which will be in February 18th, 2011, the ability to benefit new data elements we're going to collect in COD for all programs, and then Wendy will finish up.

This is just a little background of the Iraq/Afghanistan Service Grant Program that was effective for the 10/11 award year. These are just a few high level requirements: the student must be a dependent student of a parent or guardian who died as the result of military service in Iraq or Afghanistan after 9/11, they have to be less than 24 years old or enrolled in post-secondary education program at the time of death, a student cannot receive an Iraq/Afghanistan Service Grant and a Pell Grant at the same school during the same award year.

They either get a Pell or they get a IASG. It's not need based aid and it basically works like Pell, it's awarded like Pell, same terms and conditions. The payments are calculated the same way. A student can get up to two grants in one award year, just like Pell and it's limited, again, just like Pell to 900 percent limit of a scheduled award.

We started the IASG Program in COD and released 9.2, which was October 9, 2010. Basically it's a web based function. There's no common record or document process for this program. You have to originate the student through the Pell Create Award page. Once originated, the data, the web responses go back in the Pell Award block, in the schema. There's no separate IASG block in the schema right now.

And this just shows you on a create page that – it's at the bottom of the page there. Also, another factor for IASG in disbursements, we can only accept the anticipated disbursements. Funding for this program is on an exception based process. It doesn't go through the normal process like Pell, ACG SMART or direct loans since this is a very small program, so schools have to submit anticipated disbursements with a DRI of false, no actual disbursements with DRIs of true.

Currently we have no current reports **bill** for this program, so it's a very small program. Currently we have about 60 total students that we have received from the CPS as potentially eligible for this program based on the Department of Defense match in the data that CPS calculates and currently we have paid about 17 students through this program through COD.

Built a few edits, pretty basic. Student can't, once they have a IASG, they can't switch to a Pell. As I said before, a student can only receive at the same institution a Pell Grant or an IASG. They can't get both at the same school during the same award year. Then we don't allow, as I said, DRIs of true for the funding.

For the 11/12 award year, IASG is going to change a little bit in June 17, 2011 and release 10.1 which is after the normal main release of the 11/12 award year. We will accept IASG actual disbursements of DRIs of true. We built the funding stream with the current – the current way the funding stream works with the other programs in COD where it goes through the department's FMS system and then goes to G5.

We built one new message class, the ESOA Message Class, the Electronic Statement of Accounts for 11/12 so you should be aware of that and the edit 194 will be retired.

Spend a few minutes about two Pell's in an award year. As you know, in order for a student to get two Pell's in an award year, they have to set the additional eligibility indicator to true. Schools have to abide by the requirement of only – the student is only eligible once they have based it on their payment period in which the student establishes their eligibility so please, you shouldn't be setting the AEI flag like at the beginning of an award year because you don't know if that student is eligible or not so you really need to make sure that schools set the flag with wanting the payment period that the student is actually eligible for according to the regulations.

Crossover payment periods, I just wanted to point out that the 9/10 to 10/11 crossover payment periods, depending on the school's policy that they set up, they could pay the student out in 9/10 or 10/11. I believe probably most schools, because of the relax regulatory information, that schools probably chose, if they established a policy by July 1st, 2010, they didn't have to deal with the reassignment of paying out of the greater award year.

However, for this crossover payment period time between the 10/11 award year and the 11/12 award year, my understanding is their reassignment is required and the student needs to receive the greater payment period, the payment within – the student needs to receive the higher payment in the whatever the award year is, whether it's 10/11 or 11/12, and the schools don't have a choice on that.

We assume that the crossover payment period data of September 1st, last year will be similar to this year. I think it's probably going to be the same date, and also the February date is also probably going to be the same. Those will be published in the deadline date notice in the near future, I believe.

So, I just wanted to point out that if a reassignment is required, that schools have to reduce their disbursement COD for the lesser year and the report the greater one in the correct year. There may be some G5 implications where they have to maybe give back money in one year and take money out of the other year. Also, you've got to make sure that the institutional accounting is set up properly to account for all that.

Okay, 10.0. The main release for grants for COD is February 18th and one of the main things is the secession of the ACG and National SMART Grant Programs. There's no funding available for ACG and SMART in the 11/12 award year. ACG and SMART were only authorized for five years, no other recent legislation has changed that. So these two programs will no longer be available. No students are grandfathered in, meaning if, for example, if a National SMART third year student got a third-year grant in the 10/11 award year and the student might be otherwise eligible for 11/12 as a fourth year student, there's no funding, there's no statutory requirement to be available so there will be no funding for 11/12.

Also note that schools who have to pay any summer crossover payment periods out of their 10/11 award year for ACG and National SMART since there's no money available in 11/12, the only way they're gonna get any funding is if they pay them out of the 10/11 award year. And, of course, that means that that student had to be Pell eligible in the 10/11 award year as well in order receive an ACG or National SMART.

This is just a chart to show that we will have prior funding available for the older award years and we will still keep processing prior year data for ACG and National SMART up until these dates when the funding actually gets cancelled. The funding is still available to pay post-deadline adjustments, audits, program of use and other special circumstances for up to those dates for those particular award years. Please note that the funding to pay the 10/11 award year depends on potential congressional recession of any available balance for ACG and National SMART. So that means that in order to pay anybody potentially in 10/11 after

September 30th that the funding is only available if there are de-obligations or returns to the program to fund out of that area.

We seem to have sufficient money available to pay for all the other award years except the 10/11 award year. Beginning in the 11/12 award year, COD will no longer mass generate Pell initial authorization amounts so the only way schools are going to get funding is if they send in actual disbursement records, DRIs are true, they're accepted by COD. And that's how schools are going to get funded in 11/12 for the Pell Grant Program. Basically records first.

There's a few other things about release 10.0 that we're doing. First we have to – what we do changes to process the 11/12 award year basically we call a new award setup where we look at the change in the message clashes, excuse me, classes, reports, other infrastructure changes we need to do.

One thing you might be interested in is we're building an option for schools and third-party services to not receive batch receipts. So this will be built on the COD school options web page so a school or a third-party server so can opt out to not receive document batch receipts. So I wanted to point out too that if a school or a third-party service does that, it affects all program types so if they do it for Pell, it affects all – it's good for all the program types, DL, everything, Teach.

Also we updated the schema and that's been published. We added some ability to benefit fields and I'll go over those in a minute. We also added a new field, the program zip code field that's in the award block and that also is for all program types for a potential future use. Don't know exactly when we're going to use that, but we were asked to add it to the schema so it's there for future use.

So ability to benefit, these are some of the new fields we added to the 10.0 11/12 award year release that schools are required to fill in this information if a student used this ability to benefit in order to get into school and get into college or university.

So schools need to send this data in if a school – if a student was a freshman and the ability to benefit test was used and a school is submitting another junior, a third-year student, the school, for 11/12 and this is for the 11/12 award year we're collecting this, so a school would have to tell us that, as a freshman, two years earlier, that they used this ability to benefit tests when that data is submitted to COD in the 11/12 award year when they're a junior.

These are some of the fields we're collecting. The main one the ability to benefit code, 01 is the test completed. Currently there are ten available tests and it's on the next slide, I think. We understand that according to the new regulations that were just published, the department will look at approving new tests and will also look at approving state processes in the future so stay tuned for information on IFAP about **when knows** will be approved if there are any new ones.

These are the ten current tests available. Wanted to go back a little bit so if a school chose the test completed, the 01 code there, they have to put in one of the valid 10 codes on the next slide. They also have to put in the date the test was completed with a valid date. They also must use the ability to test administrator, the ability to ____ the test administrator either whether that was at an assessment center or whether that was an independent test to administrator.

We built five new edit codes. They're pretty self-explanatory here. The state code has to have an eligible completion date, a valid testing date in order to have that process through. 196 relates to – if the ability benefit code is 3, the record must contain a valid date and if the ability to benefit code is 1, the record must also contain a valid date, complete a valid date. If a school put down 02, 04, 05, they shouldn't – all they need are those codes. They don't need anything else, they don't need any test completion date or the test are valid, test the administrator so that last edit just relates to – if there's any extraneous materials sent in with that information then it'll be rejected. I guess I'll turn it over to Wendy now.

Wendy Jarod:

Good morning everybody and thank you Dan. I'm going to talk about the upcoming direct loan updates for the 11/12 award year. Starting in – release 10.0 in February is when COD will start processing the 3.0d schema. In addition to that, Dan talked about the new battery seat option. When we implement that, we will default all schools to be opt-in. They will continue to get their receipts, so as software developers, if you make the decision not to use our receipts anymore, you'll have to work with your schools to get the option updated for all of your schools.

In addition, we're going to update the DL SAS is going to include the name of the servicer that has been assigned to the borrower when the loan books to one of the additional servicers. This field is going to be added to the loan detail, loan level section and the

loan detail disbursement activity section. In addition, we're also going to a new entrance counseling report.

The three **data** schema will include the following tags in the award block for all programs, Pell/DL/TEACH and if it's ever used the Perkins Program and it's the ability to benefit code, administrator code, test code, completion date, and state code. Also we're adding to the loan award type the following tag in its program of study, currently that field is only used for foreign schools.

With release 10.0, we are actually going to send an additional new tag to the override code. Currently this response code, D, has dual meanings. It means that the endorser was declined and it also means that the endorser was approved with a lower amount, which caused a lot of confusion over the summer. So to avoid this confusion, we're adding the L to the response and when the L is returned, edit 184, which is a warning edit, is also returned with the L.

When a plus bar obtains an endorser or appeals their credit, the award must be resubmitted to COD with all tags required to originate an award and included in the common record. In addition, a new endorser complex element was added to the schema. However, that has been reserved for future use.

Schema 3.D will also include updates to the plus application acknowledgements. We are adding several fields to the StudentLoans.gov plus application process and we're going to pass that information into the common record back to you in addition to some fields that were entered previously.

The application submission reason, previous application ID, school credit balance, the six-month deferment option and the known loan amount are the new fields that have been added to the response. These fields, along with the school credit balance option and the default overpay code will begin to be used in June 2011. The existing fields loan period begin an end that were introduced, but not used last March will be renamed to Award Range Requested Start and End Date and they'll also start to be used in June 2011.

Beginning in June 2011, COD will perform data FAPs and matching on plus awards. This is where we're gonna take the student data in the plus award and match it to CPS. On the next slide, our current CPS matching edits that we use for the subsidized and unsubsidized loans and these edits will now be triggered for plus awards. And it's at 11, which is no eligible

combination match found on CPS. And edit 12, and edit 24 which is the reported CPS transaction number does not match CPS.

Here are a slide with a COD tech rough updates, November 2010, we published the latest edition of the COD Technical Reference for the 11/12 award year and then early winter 2011, January, February timeframe, there'll be another one posted as well as summer next year.

Future enhancements. We've had many requests from schools looking to get more information on paper endorsers, plus application, the MPN and the actual disbursement list. Currently our plans right now, in the future, is to make these reports available via CSV on the COD website. And right now I'd like to open it up to any questions you may have. Anybody got COD questions? I see somebody.

Sandy Coil:

Hi, I'm Sandy Coil from Penn State University. We have a homegrown system. We don't use your application on the web, the plus application. We have our own on our system. We found that when endorsers utilized the StudentLoans.gov website and input their lower amount on the application online, it was not in research with our school representative. It was not being passed to us as a CO response, as a Credit Override response even with the D field. Is that being looked into for schools who do not utilize the application process online?

Wendy Jarod:

Okay, so you're saying the Credit Override response did not include the amount?

Sandy Coil:

It did not get passed to us at all.

Wendy Jarod:

Okay.

Sandy Coil:

We had to actually find out on the back end from the endorser and the parent that they had a lower amount and then input it and then magically it would appear on the award record.

Wendy Jarod:

I would have to actually look into your individual situation because the lowered amount is included the plus application response, which you're not participating, but it's also included in the Credit Override, which is a CO document type response, so you should have been getting it in one of those two responses.

Sandy Coil: And it was looked into and they said it was not available at this time, that that was not something that was built – if it didn't have the award ID on there. Anyway, it was a challenge.

Wendy Jarod: Right, that's correct. So you actually originate after you get it?

Sandy Coil: We originate as soon as the parent applies through our process. We originate every plus record. It's out there on the batch and, of course, if it's credit denied, it's now showing under the student award record, but because the amount, my understanding, is because the amount was lower than what the parent had requested, it would not populate that award. It wouldn't adjoin to the award record and send us an appropriate CO response.

Wendy Jarod: I'm looking over at my development team because I wasn't aware of that issue because if the origination was already on file and the parent was initially declined and then when the endorser comes in and it links, if the origination's on file, we do send the CO –

Sandy Coil: Oh, we get many of them.

Wendy Jarod: But you would have gotten the D, which is the dual decline with the edit 184, which should have had the lower amount on it.

Sandy Coil: There were many that did not come through this year because of a different amount.

Wendy Jarod: Okay. Okay, if you could come see me afterwards, I'd like to get a couple of examples from you.

Sandy Coil: Okay.

Jan Levsen: Hi. I got a list again.

Wendy Jarod: Hi Jan.

Jan Levsen: Again, with COD, we asked again that we validate on the schema coming into you guys and leaving you guys cause a lot of times it happens at the end and everything's been processed and then at the very end, there's a problem with the schema and then the loan doesn't get processed or something doesn't get processed so. I know at one point, we talked – you guys weren't going to validate I think incoming or outgoing, I don't remember which, but anyway, I know this is hard. I know you guys had a tough year, but I still have some other comments.

ATS records, we have schools that apparently get multiple ATS documents and one is accepted that's linked to the award and the rest are listed as pending. Is there some way that – I mean there really can only have one a year, so is there somehow that if multiples are processed, the multiples are rejected or declined or not active or something?

Wendy Jarod: Did you say ATS documents?

Jan Levsen: Yeah.

Wendy Jarod: So you're talking about the Teach Grant ATS acknowledgements?

Jan Levsen: Right.

Wendy Jarod: So you had, where there were multiples, you had one get accepted and one not? Are you getting edit –

Jan Levsen: One's accepted and then the rest are left as pending and it's causing problems for our schools.

Wendy Jarod: Okay, I'm looking down at Allen or Kevin. I'm not aware of that –

Male 1: *[Inaudible Comment].*

Jan Levsen: Right.

Male 1: *[Inaudible Comment].*

Jan Levsen: Right.

Male 1: *[Inaudible Comment].*

Wendy Jarod: That's a new measure.

Jan Levsen: Right, and they don't continue to get information on these pending ones.

Male 1: *[Inaudible Comment].*

Jan Levsen: Right, right. That'd be perfect.

Wendy Jarod: *[Inaudible Comment].*

Jan Levsen:

Again, it's been a tough year, but there were a lot of changes this year that just weren't documented. As people went to direct loans and plus and everything, so if we could all work together and tighten that ship a little bit so that as things come out, we get better documentation.

One of the things is there was a lot of inconsistency. Apparently there's two processes for credit override on a plus application so if we could just have one process so everybody knows what it is and it cause some confusion again for us and as schools were calling in.

When's the first time you're going to accept payment? You guys talked about that you're not going to do the Pell authorization ahead of time, can they still only pay – is the first date of payment July 1st, 2011 out of 11/12?

Richard:

I believe the funding will be available much earlier than it has been depending on the Pell payment schedule, when that's published. I believe we plan on having the funding available shortly thereafter then, shortly thereafter from when the Pell payment schedule is published for 11/12, for the 11/12 award year.

Jan Levsen:

Great, great. Thank you. One more thing is as we publish the new schema, we don't get, for system generated files, you guys don't support both the old file format or the new file format so they have to get to the new format, the new schema before they can get system generated files. So is there some way that there could be some period where we support 3C and 3D so that schools don't have to somehow – and we have to jump immediately and get that turned on a dime the day you turn on the system. I hear some clapping out here.

Wendy Jarod:

For right now, for system generated responses, you're absolutely correct. When we go live with the 3.0D, that's what you'll get, but we'll take that comment back and to look at there's any way to support multiple schemas over a short period of time.

Jan Levsen:

Yeah, just to give schools time to get changed because they already have to send and receive before they can change, but they need a week or two that they can at least get that time so they can get those system generated files. And then, as we do our testing, we'd like to be able to get system generated files so that we're actually testing those two. So during that test window, if we could get – right now it's us sending and getting back and everything, but we'd like to get some system generated files so that the first time we get

those, we don't run into problems because we weren't able to test them.

Wendy Jarod: I'll also take that down as a comment. Thanks Janet.

Jan Levsen: All right. Thanks.

Wendy Jarod: Any additional comments? One more.

Male 2: I'm not exactly sure if it's still happening to the extent it was earlier this year, but beginning in April when the new site went up, EDEExpress has had issues importing those CRSP files. Almost on a daily basis we have some kind of import error. Sometimes it'd say, "Credit Decision Date," sometimes it is something in a demographic record. But they don't import correctly, so is that something you're aware of or is being looked at?

Wendy Jarod: I'm looking down at Ginger. Is your Express person here?

Ginger Klock: *[Inaudible Comment].*

Male 2: Yeah, okay. I understand, it's coming from COD though. The files.

Wendy Jarod: Right, so you're getting the file, but you're unable to import it into Express due to either a date issue or a demographic?

Male 2: Right, we open the XML file on Correct the Information Manually so we could import it into EDEExpress because it's being sent from COD incorrectly.

Wendy Jarod: Okay, I was not aware of that issue so if you could get with me afterwards I can help you with that.

Male 2: Great. Okay.

Wendy Jarod: And look at some of those files and see. It might have been – would demographic data – was it the foreign school code issue or address issue?

Male 2: No, that's – no, not regarding plus application files, no.

Wendy Jarod: Okay. No. So it's – okay.

Male 2: Okay, thank you.

Wendy Jarod: Never heard of that one. Any other questions? [*Inaudible Comment*] [*Crosstalk*].

Richard: Well, thank you. So thus far we've heard that we have an opportunity to partner with our servicers, an opportunity to have more of a dialogue with you all. CPS testing should probably be a little earlier. Opportunity is to provide greater coordination between COD and EDEExpress changes. There was a question about XML ISER and we need to go take a look at that again. Just a few moments ago we were talking about the credit override response not being passed, COD schema validation, ATS document challenges, system changes need to be documented better and then the file import errors. These are very important to us, this is why we're here trying to understand what's going on.

We have what 6,200 or so partners in the education space and 3,200 financial partners so it's hard to get information back in. The department is doing everything it can to get these systems up and running and to make them work, but it's great to bring everybody in the family into the room and say, "Here's where we are. What did we miss?"

This is an important presentation, this is Renee coming up to talk about NSLDS, system enhancements, different changes that are going on as you all know NSLDS is one of our key systems just like CPS and COD so these are vitally important. When Pandora moves I know I have to stop because that means I'm in trouble again. But this is an important one and again, just like with CPS and COD, we really want to understand where things are going well and where they're not going too well so we can take that information back home and work those issues out.

Renee has been with the department for 14 years. She works with the Business Operations Division and is responsible for ensuring that system changes – all things are considered when we're making a change, stitching the story together to make sure that it is synchronized, to make sure that everything is covered. So Renee, why don't you come on up?

Renee: Thank you Richard. Just to let you know, I'm probably going to be a very short speaker so lunch will be early. For the NSLDS update, hopefully we didn't make a lot of changes that impact software, but we did want to share a few of the changes that we have made to hopefully make schools' lives easier. What we're going to talk about today is some of the student eligibility

enhancements, some new and updated reports, some ed servicers updates and some future enhancements.

One of the changes we made for our student eligibility is we changed some of the financial aid history and transfer student monitoring reports and we're also talk about some of the 2011/12 award year anticipated changes.

On the financial aid history and transfer student monitoring report, we actually changed the way the loans are grouped on the report. We got a lot of feedback from schools that ask that we group them by graduate and undergraduate so we did that. We also have it by award year, dependency status. We also include the Pell lifetime eligibility used indicator as well as the additional eligibility used indicator.

For the 2011/2012 award year changes were actually – we've heard several times we're no longer accepting ACG and SMART for 2011/12, but we will still send information on ACG and SMART to the ISER for previous award years. And for the Iraq/Afghanistan Service Grant, you won't be able to see the information on NSLDS, but you will be able to report overpayment. That means that you want to make sure you report this overpayment so we can get that information to CBS that can be included in the update for the ISER.

Some of the new and enhanced reports we have are for exit counseling, which NSLDS just started this year, some loan delinquency reports, some push functionality and the updated PLPED report. For exit counseling, just to give you a little information on this, we did start that this year on the NSLDS.ed.gov website for the students. They can go to that site to complete exit counseling. We will record all of that information and actually be able to send that information to the schools. In certain reports, they'll be able to get that either on the website itself or through the exit counseling reports. And we also have the ability for schools to upload information to NSLDS so we actually store it on NSLDS and you can see it there.

The exit counseling report completion results, we give you the opportunity actually look at the report at a overall system school way or a specific branch location. You enter the date ranges, this is not award year specific so it's just within a date range that people will complete exit counseling. We provide many different formats for you to receive this report in.

You choose that format, you can get the NSLDS preformatted report and NSLDS extract format, which is standard and fixed length and comma delimited. And you can also get a direct loan extract format, which is standard fixed length and comma delimited. The reason we have both of those is a lot of schools were familiar with the way direct loans reported exit counseling so we moved that option over to NSLDS when we took that functionality over.

For the output, this is just a list of the message classes that exit counseling reports can come in. I'm not going to read all of those. And this is just an example of the preformatted report so you can see the information that's included, which includes that it was done electronically, what the results were, whether they passed or not.

And then we also provide completion reports for lenders as well as GA and Federal loan servicers. In the EXTC 03 report, it's also pushed to the GA and Federal loan servicers from NSLDS and this actually satisfies the school requirement to report to the GAs and servicers. We also have a session in the overall conference, session 19 that gives you a little bit more information on the entrance and exit counseling.

Some other tools that we provided are some delinquency tools. We actually have some enhancements to help assist the schools in delinquency and default prevention. We wanted to provide a way for schools to get this information, to help in making sure their students do not default on their loans. We have the DLQ01 delinquent borrower's report. It's also available in many formats and we'll go through those in a just a minute.

The delinquency information is provided for all of the federal loans servicers. Right now we have Sallie Mae, what was Federal Loan Servicing, what was FIA down that **great lakes** and right now the first direct loan servicer, we don't have this report for that servicer, but it will be available come this spring.

And this is the screen on the website where the school can actually choose their options for receiving this report. Once again, you can get it for a school wide report, or for specific location. You can also get it for a particularly loan servicer. You can specify the cohort year you want to look at, you can also look at various delinquent timeframes. And once again, we have multiple extract types. Once again, an example of the preformatted report.

The delinquent borrower reports are actually distributed over SAIG just as many other reports are and these are the message classes that they're available for. One of the things we heard from schools is that they really wanted the ability to have reports pushed to them rather than just go up to the NSLDS website and have on demand reports. So we're providing that functionality to them so they'll be able to go to the website, choose how they want their reports sent and actually have those reports sent on an established frequency that they choose.

And this is the page they do that. They would actually go through the **or tab**, look at the school profile and at the bottom of the page they can choose the reporting for schedule reporting for exit counseling and delinquent borrower reports and choose to update those. And as before, they'll be available in comma delimited fixed width and then also in NSLDS or direct loan format. So they'll be able to choose that and they can make changes to that schedule of frequency whenever they need to. So if they don't want to receive it monthly and change it back to whenever on demand, they can do that.

The school's schedule push report with delivery options can be changed to any time or cancelled. The enhanced loan purchased report by Ed, we actually enhanced this. Once again, it can roll up to the six digit school code or the eight digit specific branch code and the record layouts are included on IFAP and includes the original GA and/or current servicer. And the SAIG output message cost is right there. And here's an example of the PDF report. Just a note on the PDF report, it's limited to a certain number of loans so we suggest if you have more than I think it was 19 loans on something, you might want to have another format sent to the school. If not, you'd have to do another search on another SSN type thing. And for the federal loan servicers, we're actually updating – they report to NSLDS on a weekly basis. They report data for both of their **fell** purchase loans that education purchased that they were servicing as well as the direct loans as of 7/1/2010 when the department went 100 percent direct loans.

And the data is used with NSLDS and communicated for appropriate NSLDS functions such as transfer student monitoring and to the ISER. Some future enhancements: have the new portfolio report, a new FSA data providers, **AIMS** and actually that should have been taken out so we're not gonna talk about that, enrollment reporting enhancements and three year cohort default rate calculations.

Just a note, the new school portfolio report, I know probably a lot of you have heard about the gainful employment regulations that are coming out. This report is not anticipated to help with that requirement. The department, of course, is working on what will help with that requirement, but this is not anticipated to do that. It's created to provide an extract of data to assist in researching of aid recipients, to provide the information on the individual students, all of their loans, open and closed for specific date range and by the SSN or last name, first names sort.

And for the new FSA data providers, there's a new servicer for total and permanent disability claims. That is now going through Now Net and the code is 582. We will have a new reporting system for debt management and collections. And that new system will start reporting late at the first of next year and it will be code 556. Right now the code for debt management is 555.

Some enrollment reporting enhancements we're talking about, I want to take a minute right here, we're actually doing a focus group at the main conference to talk about enrollment reporting enhancements so if there's any software providers that actually do help schools with enrollment reporting, if you're interested in attending that focus group, if you could see me after this session, I'll get your information and tell you where that focus group is and we're definitely interested in getting your feedback for that process as well.

But we're looking at different ways of providing data to NSLDS. One of the things I just learned is we're looking at actually doing that in XML versus a flat file so we're moving in that direction. And occasion driven roster as well as additional compliant in over oversight reports.

The three year cohort default rate calculation. Right now the cohort default rate calculation is just on a two year rate. It was changed to a three year rate that will go into effect in 2014. That's when the first three year rate will be official. The three rates, up until that point, we've made a decision that the department to actually give you a trial rate so schools can actually see what their three rate would be if we were calculating it on an official basis. It's just for information purposes, it's not to be considered official or draft. We're just providing that information so we'll display those rates on NSLDS as well as on the loan record detail report that is submitted to the schools.

As I told you, that was very short, we try to not to make a whole lot of changes so I'll open it up to questions now.

Jan Levsen: Hi Renee.

Renee: Hey Jan.

Jan Levsen: Quit laughing. I've got two things here. The exit counseling record which was then has the other name is HS – the thing you kind of skipped over in the presentation, those files were – one, it was a retroactive announcement, things were being sent and nobody knew about it. And on IFAP, it said that the record was going to be 750, and then in the record layout it said 1,500 so there was conflicting information and we had a lot of problems trying to get the right information on that.

Renee: Okay.

Jan Levsen: The file is the AHSLDEOP message class. So there was confusion about which was the right one and the fact that it was retroactive. Our clients were getting that information, we didn't know about this new message class until after it happened.

Renee: Okay.

Jan Levsen: The other issue is EXITFFOP message class.

Renee: Okay.

Jan Levsen: Our clients or all our schools are complaining that that's a cumulative file every time so whether it's weekly or monthly that they're getting it, they would like just to see the changes since the last time and then if they want a cumulative file they can go out and put the date ranges and get the cumulative file.

Renee: Okay.

Jan Levsen: Makes sense?

Renee: It's just they want to see the changes, so not everything that happened necessarily, but just what changes since the last time they got the report.

Jan Levsen: Changes since the last time they pulled it down.

Renee: Okay.

Jan Levsen: Okay?

Renee: All right, thank you.

Valerie Sherrer: That's fixed.

Jan Levsen: That's fixed?

Valerie Sherrer: That was just fixed. That was fixed so that that *[Inaudible Comment]* that we fixed it so that that report's no longer cumulative, it's just you could request it just from the last now on that updates, weekly, monthly, or however you want **it**.

Jan Levsen: Cool.

Renee: Okay, and for those that might not could have heard Valerie Sherrer, who is actually the Director of NSLDS said that that has been fixed and it's no longer just cumulative, it is just showing the changes. Anything else? Okay, one more.

Male 3: Yes, I just had a question about something, you said as far as gainful employment, you said the Department of Education is working on a report for NSLDS when it comes to something that will help the schools easily identify students not in repayment according to the gainful employment rule.

Renee: That's correct. It may not be NSLDS, it's just the department is working on how we're going to implement those regulations.

Male 3: Okay, but nothing specific as far as the report that would help schools *[Inaudible Comment]* *[Crosstalk]*.

Renee: No, we don't have anything specific right now, no.

Male 3: Okay, thank you.

Renee: Anything else? Well thank you, I appreciate it.

Richard: So this after we're going to take a slightly different trajectory. We're going to start talking about emerging technologies and infrastructure strategies that we're starting to employ at the Department of Education. The first one will be a discussion or a quick briefing on two-factor authentication. FSA, as you know, is responsible for managing tens of millions of accounts on our network and one of the ways that we're looking at reducing the

risk exposure with having that many accounts, very privilege accounts that have access to PII is implement two-factor authentication. Ganesh Reddy is the Director of Enterprise IT Architecture and Strategic Infrastructure Group in the FSA Technology Office. He'll give you a quick briefing and a demo of what we're going to be employing. Ganesh.

Ganesh Reddy:

Thank you Richard. Welcome back, good afternoon everybody. I don't whether they're going to dim the lights or not, but after a heavy lunch usually people doze off, but hold on, I have a demo, so you'll be very much interested. So let's get started with this thing. First we'll talk briefly about two-factor authentication, what we are doing, how we are rolling out for our internal users. That should keep us awake. Internal users as well as, at some point, to external partners as well so the question is why two-factor authentication? Why do we need two-factor authentication? And what is two-factor authentication? If you know, anybody who has used ATM in the last 10 or 15 years know in order to do any transaction in ATM machine, you need to know your pin and to have an ATM card. It's as simple as that and imagine being able to do those financial transactions even if it's \$100.00 or \$50.00 with only one of the identities such as pin or just the card itself, you won't think of it. It's very scary.

How about we don't think too much in terms of when we access systems which have extensive PII data, millions of PII data – information of millions of users we don't use two-factor authentication so Federal Student Aid and Department of Education as a whole, we are moving towards that goal and we want to implement two-factor authentication not only for our internal users, but also privileged users, those partners who have access to PII data in our systems.

Just to know, why is not a single factor authentication not secure? Very simple, anybody who has heard about key logging software, it is a very small, a few lines of code can be *[Inaudible Comment]* in two days by *[Inaudible Comment]*. Many, many double uppers can predict light somehow installed on your computer. Basically it can capture every keystroke, everything that you do on your computer and pass it on to the people you don't want to pass it on. And also it's as if somebody's looking over your shoulder doing exactly what you're doing on your computer. It's very scary and this happens every day. We know that for sure. We get information from U.S. and we know for sure that many, many people all over United States, their user information is captured. User ID and passwords are captured by key logging software so

two-factor authentication is one way of deterring that. There are other means, but we will talk about two-factor authentication today.

What is two-factor authentication? Two-factor authentication basically is two different methods of authenticating yourself. Of course, we are all familiar with user ID and password. User ID and password fall into the category of something that you know and there are other two widely used other methods of authenticating yourself and another one is, of course, something that you have. We just talked about ATM machine, ATM card is something that you have and you need to know, data access as I said, you need to know the pin and you need to know the ATM card in order to access ATM machine. And I'm sure you're also familiar with other means, other methods such as biometric methods such as fingerprints, recognition systems and retinal pattern and Y circuit mission systems as well as other biometric identifies such as behavioral systems so we won't go into that today. Those are expensive and they're not as reliable today. Technology's still evolving. However, you do know many of this laptop computer, these discs come with a fingerprint recognition software built into it.

TFA Technology we just talked about. There are many ways after the fact authentication. One of them is hardware tokens. We'll talk about them in detail later. There soft tokens. The soft tokens basically are personal computers. You recognize a personal computer, for instance, if – I do not know how many of you access Bank of America, for instance, allows you to access your computer once they know the IP address of your computer, but if you access from any other computer, then pose a challenge question so that they recognize the IP address of that particular computer.

And also, the mobile devices, these days many of the mobile devices come with SMS messaging and so those are considered second-factor as well. There are, of course, Smart Cards. Smart Cards are technologies – just want to show you. It's like a magician bringing out all the devices, I'll be showing it to you.

The Smart Cards are, for instance, ID that we have for those 28 Department of Education ID is a Smart Card, that is this is used for physical access as well as access of our systems. This requires the keyboard, basically that reads this information so it requires a special device in order to access our systems. These are Smart Cards and there are, of course, USB tokens as you very well know. Many of these [*Inaudible Comment*] all those things can be

installed under USB flash drives and they can be inserted in the computer and they recognize the system, authenticate the user. And of course biometric devices we just talked about.

This is a slide. I know I'm showing – you can't read it very well, but this is just to show that there are many, many technologies available out there. And the one that we chose is basically a key fob and I'm sure you've seen autosave secure ID. It's very similar to that. It generates a six digit pseudorandom number based on your actions. There is a button here that you push and a pseudorandom number is generated and there are some cards that periodically, every few minutes, a new number is generated but this is action based and also this comes in two different ways. This is a key fob and this is a card, very similar to a credit card, but there is a button here. **Merely** push the button and a six digit number is generated every time you want to use this card. So these are the two technologies we picked.

Some of the considerations that went into selecting these technologies first, two primary criteria; the first one, of course, is we wanted to have as least impact on users as possible. In fact, we didn't want to have any impact on the end user. They didn't have to install any software on their computers. They didn't have to purchase any new hardware for their computers and they didn't have to update their computers, they should be able to access these systems exactly the way they are doing. As long as they can use the browser, they should be able to use auto factor, second factor authentication mechanism. That's what we selected.

And of course another primary reason, of course, is cost. The total cost of ownership of maintaining these, rolling out these tokens and maintaining, managing these tokens and, of course, retiring them, that is another factor. Based on those criteria, we picked the solution that we did. The solution that we picked is *[Inaudible Comment]* the very sign token, the very sign identity protection. **This factor** has a unique feature that reduces the cost of ownership for us because the infrastructure for maintaining, synchronization infrastructure as well as checking the one-time password, wait the system generated synchronization password as well as all the infrastructure is maintained by **very sign in the** cloud. So basically this is a cloud infrastructure, we'll be basically passing on the one-time password and the user ID to a web service and it will be authenticated by **the very** sign cloud infrastructure.

The technical approach. I just want to give you a very, very high level view of how this is going to work. Basically today we have

user ID and password, that's how we access. We have a **lap** server that has **main chance** to *[Inaudible Comment]* password information and that's our first factor. And we will still have that, the first factor and in addition to the first factor, we will have the one-time password information on the login page and once the user logs in using the first factor, if the first factor is successfully authenticated and then we will send the user ID and password information via web service to **very sign** cloud infrastructure. And if that authentication is successful, the user will be allowed access to the secured resource otherwise if either one of the authentication mechanism fails, the user will be denied access and another page will be displayed.

This is the technical approach for our internal users, when our internal users access our site of our educate network, that is our internal intra network, intranet. When users access our systems through VPN, Virtual Private Network, we will – we are rolling out the solution for using two-factor authentication and the authentication for the first factor, the only difference here is the authentication for the first factor is done using active **deductry**. And after the successful authentication against active **deductry**, the user ID and password will be sent to a **very sign**, to our web service, VIP web service.

But this architecture is exactly the same as the ones that we are thinking of rolling out for our partners, our privileged users. I basically walked through a couple of used cases in terms of what will happen, how we need to – how this functions and then I have a demo I'll show you. Token enrollment, when we will be issuing these tokens we'll be either sending via e-mail or some other distribution mechanism. Once a new token is given, the user should have user ID already enrolled into the first authentication mechanism, whether it is our AIMS **ELAP** server or our **act two** _____ server. If the user is already enrolled, they'll be able to enroll the token and basically it captures the user ID password and some other information that we need for two factor authentication. I will walk you through that in a minute.

And what that will do is basically associate the user ID with the token number and that will be stored at the very sign cloud. Just want to make sure that the only information, the very sign will have is the user ID and the token number. All the other information will be stored in our virtual data center within the confines of the federal *[Inaudible Comment]* infrastructure.

The token enrollment process basically after its successful authentication of active directory, it goes to the token enrollment page. It will ask you – some of these fields will be pre-populated based on the information that we already have in the first factor ELAP server, but use first name and the last name and some other information, whatever we have in our ELAP server will be pre-populated, but in addition, we will be asking for the cell phone number. I will talk to you in a minute why we need the cell phone number. If you have a cell phone number that can accept SMS messaging that's better. We would like to have that and also the e-mail address in case we need to contact you or send you a one-time password, a temporary one-time password.

And once that information is provided, you'll be asked to provide the token number. Every card or the token is a unique identify built into it and you'll be asked to enter that number and then user will be asked to answer a few challenge questions. We have three challenge questions that we need to ask, answer. And all this information will be stored in FSA infrastructure.

Once the token is registered, then it's a regular login page. The only addition is the one-time password on the extreme right. You will have the user ID password and the one time password on the extreme right and if the user ID password and one-time password, all three of them are correct, then the user will be given access to the secure resource.

What happens if a user forgets or misplaces the token? It is possible to still access the systems. We are giving the users one or two options in order to access the system, so one of them is using SMS messaging. Another one is giving them a temporary one time password that can be used for a brief period of time. We are still debating how long we want to give that access, probably an hour or half an hour so that the users can access the systems. And that is one of the reasons why we stored the – we asked for the cell phone number that accept SMS messaging and also the challenge questions so if you forget your card, you'll be challenged with one or two or more challenge questions which you need on – user need to answer correctly.

After they answer correctly, then they will be asked to choose whether they will like to receive, receive the one-time password via SMS messaging, which is still two-factor authentication, if you think about it, because a cell phone is something that you have.

And the other one is a temporary password for an hour, an hour and a half and odd. That is, by the way, not a two-factor

authentication, because it uses the same method of authenticating the user. That is something that you have, whether it is a password or a answer to a challenge question, it is still something that you have. It is not something that you know. Therefore it's still considered a strong single factor authentication, but it's not two-factor authentication.

So that is the end of my presentation. I do have a demo I'm just going to show it to you if it works. So this is the login page. This is just, by the way, it's a prototype that we have in our sandbox. This is not secure at this point, so we just double up the *[Inaudible Comment]* and the solution is not going to be like this when we roll it out in production, but this is just basically the framework of how this is going to function.

Now, first and foremost, if the user doesn't have the token, how do you register? Oh, by the way, we don't have a certificate on the sandbox so please don't do what I'm doing here. I'm going to accept it. This is just like a commercial for race car driving or something like that. This is done in a closed race course, don't try to imitate me and so I'm accepting this because this is our server, we know it is secure. And moreover, there is no secure information on it anyway so.

So user ID. I hope this is right. Oh. Demo. I will give up, it doesn't work. Demo **one** user or user one demo? Demo *[Inaudible Comment]*. We just set up this account today so I forgot. Set demo. It could be user 1 demo. I'll try, if not I'll move on.

Yeah, this is basically the token registration page where you will be asked to enter the first name, last name, and the credential ID number and challenge questions. And once you're onto these, the token will be registered and the token will be associated with the user's user ID and that's what will be used to map once it's done. Now let me use my account. That's basically the virtual desktop. It's about VPN solution so it's authenticated based on the old TP that I entered and was able to connect and if it allows me, I will demo. Two. Enter something wrong.

This is the login page. Suppose I don't have the token, then what I do is token unavailable. User ID. So it will give me an option of either getting the one-time password via SMS messaging or a temporary pass code. Let's select temporary pass code and what city? That's one of the challenge questions. Baltimore is as good as any place. That's the temporary pass code. You get that pass

code and then you can use it for half an hour or one hour. We are still debating how long we'll allow the user to use it. Basically that's the end of my demo. I can also show you how it can be done on SMS messaging, but it's exactly the same process, basically will be challenge question and at the end of the challenge question, you'll be sent – SMS message will be sent to your cell phone that you need to use it. And that's a two-factor authentication as well. Basically that's it. If you have any questions, I'll be more than glad to answer.

Jan Levsen: Hi, I have some questions. I guess I don't understand. Are we going to have students go through this process? And if we do, they're certainly going to click that even though it's not recommended to do that, to bypass VeriSign certificate.

Ganesh Reddy: Your question is bypass the VeriSign certificate?

Jan Levsen: Yeah, you said, "Don't do that," and if we're having students go to this website, they're certainly going to bypass that VeriSign certificate.

Ganesh Reddy: Yes, we will be generating reports as to how many times users are using that service and if people misuse, we'll be turning off that functionality so it is just in case of emergencies, people can use it. But if we notice that the people, users are abusing that functionality, then we will turn it off for those users.

Jan Levsen: I guess there's not a work around. I don't understand how they get around it.

Ganesh Reddy: I probably didn't hear the question.

Male 4: We're not rolling it out to students.

Ganesh Reddy: Oh, we are not rolling out to students. This is only for privileged users, for the partners. We have about 70,000 partners who have access to our systems who can see other people's PI data.

Jan Levsen: Okay, that helps. The next question is you didn't tell us when and what data is behind it? Do we have to use it to get to everything or what? And what is the timeframe for this?

Ganesh Reddy: We intend to roll it out, all of our applications and the timeframe is basically we are building the infrastructure and if by 11 and we plan on rolling the solution for all of our partners and if by 12 and

by 13 and of course all that is subjected to availability of funds. That's right.

Jan Levsen: So in other words, we're going to listen to this presentation for the next three years because we're not going to have funds right?

Ganesh Reddy: Well, this is an early communication mechanism. We wanted to do it so that you are prepared. We just don't want to subject this and give it to you – if we start rolling out early next year, October of next year, **a number of** next year you know that we are rolling this out.

Jan Levsen: Okay, thank you.

Ganesh Reddy: I also just want to mention that although we are rolling it out, this is applicable to all organizations, not just for Federal Student Aid. Any organization that has some **student** data and you have privileged users, you are better off considering one of these solutions, not necessarily the VeriSign solution, not necessarily the type of tokens or even the token technology, but some form of two-factor authentication is highly recommended because it is scary how many incidents we see, come to our attention where password, user ID and password are compromised. So although we are showing this presentation of what we are showing, but this is not just for Federal Student Aid or Department of Education. This is meant for all the organizations. Question?

Male 5: Yeah, I have a question. The question I have is right now, the client base that I deal with with software has a lot of different logins. You have a lot of different systems. Are you looking to bring everything together under a single sign on using this two check process?

Ganesh Reddy: Right. Good question. Actually, there are different initiatives. On another initiative, we are planning on consolidating all of our access to our systems into one system called AIMS, Access and Identity Management System, but this project is independent of that. Whether that project progresses or not, this is something that we intend to roll it out to applications, even if you have separate user ID and password, the card that you will have will work with all of our authentication mechanisms and CPS *[Inaudible Comment] [Crosstalk]*.

Male 5: So you'll still have to log into your nine different systems in the department?

Ganesh Reddy: Right.

Male 5: That's unfortunate, but the next question I have for you is the web services, the web services you're looking to put together or that you're using on this, are you looking at **exposo** so that they can be embedded in our softwares?

Ganesh Reddy: You don't need to have access to those web services. Our internal web solutions that we authenticate against VeriSign. You don't need to, all you need to do is the user needs to enter user ID and password and **one more time** password. That's all they need to do. So authentication responsibility is Federal Student Aid's responsibility to ensure that if the OTP is correct, matches with the user ID, then we authenticate the users.

Male 5: Right, right, but you're talking from a silo here. You're talking about it's okay for us to go into your website and authenticate.

Ganesh Reddy: Right.

Male 5: But we operate in our student information systems as well so on top of the nine systems you've got, our users are actually using their own systems, so the question becomes how do we work together to make it much easier for users, working with students, to be able to take advantage of so many services?

Ganesh Reddy: Right. This COD is unique. This VeriSign COD is unique in the sense that not only the same COD can be used for any other system, in fact this same COD can be used for PayPal. I've tried it, this works for our Federal Student Aid, Department of Education as well as for PayPal so all you need to do is register the user ID Of the other system and this token number and the IP service, web service VeriSign will authenticate the users.

Male 5: Is there a cost to the user? Is **there** outside of the Department of Ed processes?

Ganesh Reddy: There is no cost here. There is no cost to the card itself. The card is what we have issued, however the infrastructure that you need to set up to make a web service card, a VeriSign is the responsibility of the organization that wants to use this card for *[Inaudible Comment] [Crosstalk]*.

Male 5: Okay, so there is a cost to that on – you have –

Ganesh Reddy: On your side.

Male 5: Right, okay.
Ganesh Reddy: But if you're just authenticating against us, you don't need any infrastructure on your side.

Male 5: Okay, thank you.

Ganesh Reddy: Sure. All right, thank you.

Bridget-Anne: So of course you know I'm not Richard right? I am Bridget-Anne Hampden, the Deputy CIO and I wanted to make sure we address the question that talked about a single sign on. Yes, it is a project that we're looking to do. From a priority standpoint, we have much more of an exposure when it comes to the PII data and so that's why that project is lined up to go first. Doesn't mean that we're not going to do the one Ganesh talked about on the AIM side, but in terms of a priority, we've structured it look at the two-factor authentication project.

Next up is Jim McMahon. Jim is the Director of Application Development. Jim has responsibility for requirements definition along with the project **Life-Cycle**, testing and Jim is going to talk to us a little bit about our **SharePoint** Initiative that we have going on. Jim.

Jim McMahon: Good afternoon everybody. Good afternoon everybody.

Audience: Good afternoon.

Jim McMahon: There we go. How's everybody doing today? It's the quiet day. So I'm here to talk about – let's go back to the title page. So SharePoint and then also what we call it internally, which is Enterprise Business Collaboration. We have to give everything an acronym in the government so it's EBC.

And as Richard started off the afternoon, really the afternoon sessions are intended, at least the first couple, to kind of pull up the hood, pull back the curtain, let you see some of the things that we're working on internally. Some that will have impacts on you, others less so. So it's a matter of just giving you some insights into some of the things that are going on with us, SharePoint and the deployment of SharePoint, both within Federal Student Aid and across the Department of Education is one of those things. So it's something we currently have in flight, building up some SharePoint environments for deployment.

Now why is the department interested in SharePoint and I think that often during these sessions and in particular the software developer's conference, you hear people up here at the podium say things like, "Well, we're a very complex organization and that's a very complex topic." And we had a very good example earlier today around communication failure between different segments of our organization. So as the folks during that session said, "We are putting processes in place in terms of meetings and communications, but we're looking for non-manual ways to also help us augment that process, to improve our communication, improve the way we are managing our documents, versioning our documents and all the things that you also worry about very much in terms of your development life cycle so that we can focus on making sure that you are not acting as our QA group, which you do very well in terms of letting us know where we failed.

And that we really are delivering a better product to students and schools and to you all who are ultimately responsible for rolling that out to a big segment of our population. We really believe that the SharePoint technology is going to help enable us do that as well as help us across the board in terms of internal productivity.

So let's start – get into it a little bit. What is SharePoint? How many folks are familiar with SharePoint? Just show – yeah, so I'm probably not gonna tell you a whole lot you don't already know about SharePoint. SharePoint is, as Richard likes to say, the Swiss army knife that we are hoping to deploy in many and various ways. If you go out to the SharePoint website now, today, and look at the way that they represent the SharePoint 2010 product, they basically break things into six major segments. Those are: **sites**, communities, composites, content, insight, and search.

And if you're familiar with the product at all, you know that some of the sub products or some of the functionalities that would be associated **with that**, with sites they're talking about, they're talking about my sites and team sites as well as the ability to also deploy external facing websites, internet sites as well, or have basically SharePoint act as your main web product, both for internal and external customers. So at this point, I'm only talking about possibilities, not our current plans. Communities, things around Wikis and blogs, the ability to have taggings, the ability for individuals to create my profiles, to have, new in 2010, is the ability to have feedback loops that basically encourage folks to work across different segments in their organization to communicate, to reach out to folks that have certain subject matter expertise and to provide feedback to one another or to work on

particular initiatives, particular products together in a more efficient way.

Composites, something that obviously, at least selfishly from my perspective, I'm very excited about, the ability to actually produce applications that are somewhat code free or enable different less technical users to be able to do that, be they work flows, be they forms, be they certain team sites that enable them to obtain some of their business objects and they have less reliance on a more structured heavy-handed development process than we have for a lot of things we're deploying.

Content, obviously in terms of documents, management, records management, document versioning, enterprise content management, SharePoint has functionalities for all those different types of functions.

Insight is something that's relatively new I think for them in terms of 2010 and _____ trying to come out with something that is a business intelligence tool. There's integration points with VIZIO and Excl that allow you to basically leverage those tools to help do more analysis right within SharePoint so obviously one of the great things about SharePoint is its ability to integrate with the Microsoft Office Suite.

U.S. Department of Education is an Office user, so we're on exchange servers so the ability to integrate and even within a browser access a lot of these different applications and a lot of these different tools and have that data then reside somewhere besides on the desktop is something that's very attractive to us.

Search, obviously search and fast search in terms of being able to basically provide good results, be it about searching for a person, a particular topic, a particular document have the search results be tailored to that particular search based on a person's role or their provisioning and only give them back the relevant things that they actually are allowed to see. So all these different functions are something that we want to see used across Federal Student Aid and at the Department of Education and that's why we're looking at the SharePoint technology.

So these four components are what is going to comprise our initial deployment. We have SharePoint 2010. Microsoft Communicator, which used to be Office Communicator Server. In 2010 it is Lync server; Microsoft project server and K2 Blackpearl, now the communicator server also enables folks in terms of instant

messaging, in terms of new functionality around their ability to deal with phone calls, video conferencing, et cetera, it helps enable all those technologies which is also very important at the Department of Education for those of you that would like to follow your Federal Regulations and Statutes, recently Congress did pass some legislation that really has put a tip on the end of the spear in terms of telework and off-site working for federal employees. It's now a requirement for agencies to come up with plans to be able to enable federal employees to actually work off-site for some portion of their time.

And we believe that SharePoint is really going to help us enable to do that. It's going to give us some capabilities that we don't currently have to really enable folks to still feel very plugged in, to still interact with their colleagues, edit documents online instead of relying on that e-mail trail of things going here and there. The ultimate version is really going to a centralized website that's the ultimate source of what those versions are for current development documents, requirement documents, specifications, et cetera.

Project server, we only have one or two projects the Department of Education so we might not need it. That was a joke. We have a lot of things going on so our ability right now is we don't have a product server deployment. Our ability to actually manage our resources, look at our milestones, do planning from a portfolio perspective around resource contention, around risk points in our calendar. We are very aware of what those are currently. We do a lot of analysis around what those are. But right now, honestly it's a desktop based process. It's Excel sheets, it's meetings, it's PowerPoint, it's folks getting in a room and we're looking for product server to help us provide some of those capabilities to do it in a more automated fashion. It probably is less on the lightweight side in terms of our ability to actually get up a robust portfolio management system, but it definitely puts us on the right path.

K2 Blackpearl may be one of the products there that you're not as familiar with and that is a SharePoint, I'm going to call it add-on or extension that provides a more robust product in terms of workflow development, so it basically extends the workflow development capability already inherent in SharePoint and is going to make that something that allows us to come up with some more – I keep on coming up with the word robust applications, both internally and ultimately externally so let me get into the next slide where we talk about phases.

We only represent two phases here. There obviously is going to be more than those two. But phase one go live looking for the spring. We're talking about UI design and implementation so our branding. We're not just gonna deploy SharePoint out of the box in terms of its vanilla flavor, but obviously add some customization for our customers, migrate some of the data that exists on our current internet sites over to the SharePoint environment, enable user profiles, a limit number of my sites, team sites, fast search, some workflow and some of the security aspects of it.

And then, we'll see start to move out, we're looking at eventually getting to blogs and Wikis and all the things. I'm not going to read them all for you, all the things that are on the right hand side. But we are very much looking at doing this and doing an evaluation of SharePoint, not just in terms of internal use and internal productivity, but as Ganesh pointed out, we have a series of different customer bases that may be engaged in interacting with SharePoint. We have our vendor community that supports us in the applications we develop, the operations we want run, et cetera.

Ultimately the integrated partner management system, IPM, which you've all heard about in the past, we are diligently working on deploying that solution in the coming months and that is actually going to be our first external facing application that actually relies on SharePoint for a portion of its infrastructure. They are using K2 to develop their workflows for the compliance area of Federal Student Aid and help develop a better document management, document repository and workflow process.

You have to keep in mind that not only do we have headquarters, but we also have our ten regional offices and those folks in terms of their communication with each other, their communications with the schools, and our communication with headquarters, we're talking about a lot of e-mail and actually a lot, a lot, a lot of paper. So we're trying to see if we can leverage SharePoint to kind of decrease that amount of paper, increase the amount of electronic records that we maintain and manage in a intelligent and efficient way.

And then ultimately there may even be the possibility that we move towards externally facing websites, externally facing products. But from developer to developer, we're going to either **run dog food** some first, make sure that we're happy with the products that we're able to develop on SharePoint, make sure that it's scalable, make sure that it actually can handle what it needs to

handle before we actually deploy it out where it may cause – impact either you or schools or students.

So that's kind of the – where the next light is kind of an as is of where we're at and as you know, like I just said, we have multiple partners in terms of vendor support. A lot of them have their very own document repository. Some of them use SharePoint 2003 or 2007. Others use Hummingbird, others use Quicker. We have a series of different vendors who use different tools and basically, depending on the development project or the operational project, they don't always necessarily use the same or someone working at a particular area may need to access several of those so we're basically trying to deploy initially something that could be used by internal employees in a centralized way that allow us not to necessarily have this disparity in the silos and this lack of integration.

So you can see over in the issues we have collection redundant collaboration systems. It's more expensive for us to work it that way, it's decrease in employee efficiency, increase in project risk, and we still are very reliant on manual paper base processes to help us get over some of those humps and that lack of integration across functional areas and across products.

And then on the next slide you can see what we want to move to which is left is employee, on the right is vendor and we're talking about one collaboration solution. That obviously would have a whole series of different team sites that would help support some of these. We're in the process of creating a taxonomy that will let us basically create a structure that will allow us to make the proper divisions where we can and the proper integrations where we can.

But we also are being careful about developing a governance strategy that helps us make sure that we don't just have a whole litter of different team sites and my sites and document repositories. If you ever were to – a lot of what we do now is rely on share drives. And if you ever look at the number of folders out on the share drives or the orphan folders or the documents that are never looked at, it's huge and it's a huge waste so we're looking at how do we deal with that, what are our retention strategies, how are we going to manage these documents, how are we going to make sure that standards are followed so we're being consistent across our enterprise both with internal employees, with our partners and ultimately with the external community. So you can see the list of benefits there. It say, "Improved stakeholder communication and collaboration. Increased application build and

deploy capabilities. Improve document storage and content management and increase enterprise efficiency.”

But certainly even, again, it’s a hackneyed example, but from the development perspective in application development, basically having a centralized repository where there is only one latest version of a particular document is extraordinarily important; having a centralized place for everyone to be able to get to it, having a way for folks to be able to, regardless of location be able to access and update or share comments back and forth about updates or topics within that document, is extraordinarily important to actually create a development methodology that’s going to allow us to be reactive, to be flexible and act a little more quickly than we do right now.

The time we spend, in terms of okay, this is the current draft of the document, I e-mail it out to you, I’m going to give you 48 hours, then we’re going to get back together, then we’ll have a meeting, et cetera, et cetera, we’re looking to try to cut down that time so we can concentrate on delivering better products instead of process. Process is vital. Process important, I’m a process person, but we don’t want process to be more important than the quality of the outcomes that we’re looking at delivering.

So then you can see collaboration platform, the little schoolhouse looking thing there at the top is centrally administrative **if I say** published internet team specific sites, my sites and partner web, so that’s really what we’re looking at deploying. Initially that’s kind of the IPM model. We are going to have an internal environment, just for employees and vital contractors, then we’ll have a partner website that will be for some of the folks that we’re doing business with and the exact boundaries on some of those and when those will layout, we will probably will not be impactful to you for some time. Ultimately will be impactful in 2012 for the folks that interface with the current systems for IPM cause they would be relying on that partner environment to deploy some of their functionality for the replacement of those legacy systems.

And I’ve already gotten through the end. So does anybody have any questions? No, okay. Well, thank you very much for your time.

Bridget-Anne:

Our next session is going to cover pin and PRMS Reengineering, Renee and Jim will do that session. Renee and Jim are going to discuss the services in both of those and we want to remind you that what we’re doing certainly focuses on the protection of PII

data related to over 60 million active records that we hold. We take this very seriously so we want you to pay rapt attention to this session. Thanks guys.

Renee:

Thanks Bridget-Anne. As Bridget-Anne mentioned, we'll talk about person record management and also Pin Reengineering which I know you're surprised by this, but we've changed the name of it to Person Authentication Services and the reason we do that was mainly because we're looking at this not just from student authenticating with our systems, but also from our partners authenticating with systems so I'll explain more about that a little bit later.

So on the agenda today, we'll talk a little bit about person data management as well as the actual person record management services that we're talking about developing and the Person Authentication Services as well.

So who do we have at Federal Student Aid? We have over 80 million people, so nearly one in five Americans. We have over 60 million active records with FSA. We also have a massive amount of personally identifying information within all of our systems. So you see from this slide, where is the real me? Right now it could be in any one of these systems. At any point during a student's life cycle as well as a partner's life cycle within Federal Student Aid, so what we're trying to do is actually combine into one system so we have one record for a person.

Right now data resides in CPS where a person can be created and updated. A person can also be created and updated in the pin system and COD system and the consolidation system as well as our servicing systems and within the debt management collections service area as well. They can also be created in NSLDS. All of that can be done as well as update. So as you can see, we can see a lot of confusing information within our systems and that's why we're talking about combining person into one area.

So there's no single version of the truth. What we're trying to do is reduce the duplicative information as well as the conflicting information between the applicants and recipients. And we have different systems with different keys for these people so we want to make sure that a person is a person throughout the life cycle. And we have a difficult – having one picture of a person for customer data.

The current systems co-mingle a person's demographic data. So for authentication right now, the current authentication service allows a person to – has their PII dated as well as their authentication information. We use the SSN to sign on for a student and we use other PII data such as last name for login purposes as well. And right now the current pin is not a robust password e-signature token.

So what are we going to do about this? We want to create enterprise services that manages the distinct segments of data. So we have person data, we have aid data, and we have organization data. We want to have distinct segments to manage those different segments of data. We want to ensure consistent and robust security across our systems and we want to allow a centralized management of PII data and authentication across the Federal Student Aid. And of course we'll have to adhere to our regulations and guidance and respond to IG and other audit findings.

So what is the Person Record Management Service? We define a person as anybody who does any interaction with Federal Student Aid. For those of you who've actually seen us present on Person Record Management Service before, we used to define a person as just the student or person, a customer, a student, a parent, an applicant. We've since expanded that definition to actually include our partners as well, as well as FSA employees, our contractors that do business with us, so we have basically – so if a person does business between a partner and is also a student, we would have one person for that interaction with FSA.

So it deploys a new **paradon** on person data so we're gonna share services across our systems. So instead of having person data in all of our systems, we're gonna have it in one place. The ultimate goal was to have it in one place so you can go to that place and know that that is the correct version of that person. And, of course, it improves the data quality for the person data throughout the life cycle.

We also want to increase the tracking and reporting capabilities for program integrity and oversight processes and it will act as the master source in location and person data where it's maintained and shared with other internal systems. Then we'll have one place where all the person's history of all of those changes to a person is located in one place so you don't have to go to multiple systems to find out what's happened to that person throughout the life cycle.

Some of the benefits of Person Record Management, we reduced the **hand off** a person data between systems so we're not always sending PII data across systems for every transaction that we're talking about. We actually will have – and we'll talk about this a little later, a new identifier that will be the key across all systems. It'll be a trusted repository for person data so you know that the data you receive from that system is the correct data for the person and you'll be able to rely on that data.

Also, the transaction processing systems will not need to build redundant person data within their systems. That's definitely something new. As systems have been built over the years, they've created their own person data management within their systems so we're hoping to reduce that redundancy in the future. And then we'll have a consistent enforcement of business rules and uniqueness for – and validity of identities. Want to be able to have one set of business rules to be able to update the person, be able to show that they – we have applied those single business rules across all systems so everybody has the same version of the same person.

And it facilitates a creation of a single unique enterprise person identifier. We're definitely trying to improve the data quality of the data within for the person in the Student Aid life system and we can't – I think this is a duplicate slide, I just realized that. The other thing we want to do is another initiative is going on, Federal Student Aid is trying to create an integrated student view and a single sign on for our students. Right now all the student sites so use the pin and we're going to continue that, but one of the things we're trying to do is to come up with a single view for a person to be able to look at all of their records and all of their data in one source, but we're pulling the data from multiple sources. That is a long-term initiative and we're looking at that, but as many other things are related to funding, that's where we are on that.

And we want to provide the infrastructure to allow the elimination of use of Social Security as a key across all of our different systems. Right now I believe most of our systems use SSN as the key. It may not even be the same SSN across systems for the same person so we want to try to eliminate that.

And in order to do that, we have to create a new unique identifier that we will use as a key for a person and it's the Federal Student Aid account number. What that is is basically just a randomly generated number. Right now, and this may change so don't – this isn't definite, but right now we're talking about a 12 digit number not alpha numeric, just digits. And it's used to protect the person's

identity. We're passing the new identifier to other systems so within the systems we'll actually use that to pass information back and forth as opposed to the SSN.

And we'll allow people interacting with Federal Student Aid systems to not use PII data to log into our systems. We want to share that unique identifier throughout the Student Aid life cycle from applying for aid and also through repayment of aid so all through that into our life cycle. As I mentioned before, removing the SSN is key within our Federal Student Aid systems.

This diagram basically just kind of shows you what we're talking about for Person Record Management. What we'll have is our one person master database where all the create updates, linking a person, looking up of people will reside and then the operational systems will use that service to be able to make sure that the person that they're talking about is the person that they think it is. So we have that one person to manage that. The system will be the system that assigns the unique identifier, the fan as I mentioned before and it does serve as the Master Record for Person.

Then just a conceptual diagram of PRS we've shown this a couple of times. It just shows how the students come in. We also get employees and our partners come in to Person Record Management to get that information and then we'll pass that information to the different systems throughout the live cycle. We'll also do that through our partner sites as well and we're moving forward in that direction.

Now I'm gonna turn it over to Jim to talk about the Person Authentication Service.

Jim: *[Inaudible Comment]*

Renee: Sure, we can do that. We'll change it up a little bit. Flexible. I'll open it up for PRS questions if you want to ask anything. Surely there's some questions. Okay. That surprises me.

Jim: All right. Afternoon everybody. Thank you. Got your calories in and your sugar so we should be good to go. Renee missed the opportunity so I'll say we didn't feel like we had enough fans. We decided to create our own so we'd have at least 60 million fans. So – sorry, sorry. So current pin solution. Everybody's familiar with the current pin solution. Obviously when the pin was initially deployed, it was deployed for a particular application. Federal Student Aid did, in many ways, did do a good thing by saying,

“Hey, this is actually an asset that we can leverage across multiple applications.” So, as you know, the proliferation of the use of the pin has occurred over a series of years at Federal Student Aid as a signature token. But the drawbacks of its current implementation is that it does use SSN in its authentication and customer identification so when you are using the pin, you are entering SSN as well as some other demographic information.

So yes, OMB GAO IG presidential directives, lots of people are telling us this is something we shouldn't be doing so even if we just thought it was a good idea, we have a little more encouragement beyond our own good idea so it's something we seriously are looking at trying to accomplish as soon as we can.

Point number two is something Renee hit on and we'll try not to be too repetitive, but right now, the way that the pin is used and the way our systems are structured it does have what we consider basically two distinct types of data co-mingle. You have the person demographic information, which is really that sacred set of Privacy Act covered data so who the person is in terms of their SSN, their date of birth, their address, other additional information and then you have information that's required to authenticate a particular account. Those things don't necessarily belong together. Good practices tell us, “Listen, you take your demographic, you put it over here, you put some extra security around that, the authentication, that something different.” That fan that that Renee talked about is the link between those two things and that will allow us to basically allow folks to authenticate not using the SSN, but link back to who that person is for whatever particularly business transaction they need to complete.

So right now the pin is not linked appropriately with what you'll hear it called enterprise security architecture, Ganesh referred to it as AIMS. Again I was saying out in the hallway like to change names so you can't follow us very well. But really it is basically name change, but same thing. We do have a security authentication identity management architecture at Federal Student Aid and we have a standard and over time we're trying to bring more and more of our applications behind or to use that same set of identity and access management architectural components that we have.

Right now the pin is not using those. And it lacks flexibility and **refers** to customers in different phases of the life cycle so really what we're looking at is having one solution in terms of the way folks are authenticating into our systems. Right now, as you all

well know, as been point out in this room, I got nine logons and they all look different and they all ask for different elements. I'm not going to try to tell you that's customer friendly so we're trying to move somewhere not only is it something that's customer friendly but also provides the proper set of controls that we as good storers of your data should be putting in place to make sure that we're limiting inappropriate access to that data.

Looks like I also have a nearly duplicate slide, separates person, demographic, authentication is what PAS is trying to do. The demographic lives over with the Person Record Management Service. The authentication lives over with what we're now calling PAS, the Person Authentication Service. Introduces an enterprise approach of user ID and password so we're gonna move away from last name, date of birth, first two last name, first name, SSN, whatever we're using in various places and go with a username and a password. For our privileged users, that would then also include your two-factor one time password. For the non-privileged users, which it would not. So just to make sure everybody's on the same page, the distinction we make between privileged and non-privileged, because you'll hear those terms, is the privileged are folks that can access other people's SSNs, our demographic data or privacy act data other than their own. Non-privileged can only access their own privacy act data and that's the distinction we make.

And then strengths and the authentication credential, so I'm not going to throw out numbers of digits or letters or spaces in. How long that username or that password might be or the username because I don't remember (a) what we currently have documented, but it may be also be subject to change but we are looking at strengthening the pin beyond something beyond the four.

So we're looking at having it integrate, the authentication function with that core set of common architectural component for identity management and access management. Basically that provides a standard solution across all our different applications. It provides one set of controls that we need to have in place to make sure that we have all the appropriate controls. So if those controls either need to be strengthened, hardened, evaluated, scanned, certification and accreditation, all that is happening on that one general support piece versus across the many different applications that it resides at currently.

It enables integrative student view, single find and additional streamline initiative so, you know, you've heard of some of these

initiatives before. If you haven't heard of integrative student view, you can imagine what that might look like. We have 17 externally facing websites that provide student data today. We'd probably like to reduce that and get to presenting one appropriate set of data that is consistent with the data you're requesting and the data that's in our system that's cleansed and correct where sometimes that's problematic, sometimes you end up seeing different views of a student's information depending on what system you're accessing and where in the student aid life cycle they may be.

Having a reliance on a single authentication mechanism will help get us there as well as having a single solution in terms of one golden copy of what that customer account, that student account, that person account information is. And it provides an infrastructure to allow for elimination of the use of that SSN as a key in Federal Student Aid system. So it really is – right now we have that problem, both in terms of our demographic data and that we have our systems passing that privacy PII across multiple systems as well as having it used for an authentication purpose so PRMS is solving that passing around of data which every time it's passed, there's a vulnerability. We don't want that vulnerability and basically in terms of somebody logging on, there's no reason, there's no good reason today that we should need to include SSN and what that set of information or credentials are for their authentication.

Get your reading glasses out, it's the conceptual diagram of the reengineered pin also known as PAS. These slides, I believe if not online now will be online and available soon so if you want to download them so you actually can read it cause I know in your handouts, going green means going small. And you may not necessarily be able to read all that, but it gives a good picture of exactly what the interfaces are, the different users. Up in the right-hand corner, it gives a very clear picture of the distinction we make and again we changed names a little bit up there where we say Person Directory and Person Data Hub. The Person Data Hub is basically your PRMS solution, your Person Directory is basically the Person Authentication Service, that information.

And now we're back to questions. I know this is a concept we've bandied about for a little while and it's something that we are very anxious to move. Internally, we've made a lot of progress, believe it or not in terms of the requirements we've gathered, the operational impacts, gearing up towards design. Obviously one of the things – I was making a joke before by saying, "You're our QA folks," but really out of all the groups that we interact with at

sessions like this, schools and students, you are the folks that really have to take what we deploy and package it and make sure it's correct for your solutions. So you really do do a very different job and a very good job with keeping us honest and making sure what we document and what we put out actually works the way we say it's supposed to work and actually is way that's going to make your customers as happy as you can. So getting your feedback on operationally how these things might look, what the pitfalls are, what our risks are, we very much want that feedback and I encourage you either during the course of today, throughout the session, on evaluation forms and e-mails, whatever, please give us that feedback. We want to identify those risks obviously upfront and not have you be a QA after the fact. If there are no questions, then thank you for your time and enjoy the rest of the conference.

Bridget-Anne:

Again, I'd like to say thank you to Ganesh, Renee, and Jim for sharing a little bit about what we are busily working on, just some of the things that we're working on to give you an understanding and, as Jim mentioned, it's certainly meant to be a dialogue so clearly any thoughts from you, suggestions would be more than welcome. So thank you again guys.

Now comes the fun part of the afternoon. We have invited or may I say correctly, Bill has invited himself to this meeting so we are certainly very honored to have our Chief Operating Officer with us today. It is my pleasure to introduce Bill. Bill is the Chief Operating Officer of Federal Student Aid. Bill comes to us with quite a distinguished background. He has had more than 24 years in business, he has worked for many Fortune 50 U.S. companies and previous to joining Federal Student Aid, Bill was President and CEO of Veritas Company, headquartered in Charlotte, North Carolina. Prior to that, Bill had a very illustrious career at – obviously I'm not talking about you Bill, it's somebody else that is coming up here.

Bill had a very illustrious career at Wachovia where he was the Chief Operating Officer for the corporate and investment banking group. He also spent time with other divisions in Wachovia, primarily the securities group. He also was a Managing Director at First Union Corporation from 1995 to 2000 where he served as Managing Director of the Strategic Support Services in the Automation and Operations Division. From '84 to '95, Bill worked in various division of IBM, spending some time in technology, marketing, and consulting. So Bill comes to us with a very keen understanding of technology, a keen understanding of what it takes to make customers happy and certainly a very keen

understanding from an operational standpoint of what it takes to run a large enterprise. Bill is really very interested in hearing from you. I urge you to be as candid and blunt as you can, but certainly know that he'll be taking notes and the more candid you are, hopefully the more money we get to fund the initiative, so this is your opportunity to help us. We welcome you, Bill. Thanks for taking the time. Please join me in welcoming Bill.

Bill: *[Inaudible Comment]* today.

Bridget-Anne: Yes.

Bill: Hello everyone. Well, that's pretty weak for a group of all leaders from a technology perspective. Good afternoon.

Audience: Good afternoon.

Bill: That's much, much, much better. Before we get started, I know Bridget-Anne was very gracious in giving me a wonderful and rousing introduction, but I have to admit something. I'm a recovering technologist. I am. In fact, when I meet with my team, I typically don't call myself a technologist anymore. It's sad to say so, but it's been a few days since, a few months, few years, okay it's been a decade or so since I delivered any technology solutions. But there's certain things that, regardless of whether it's been 10 years of building a solution or is 20 years ago, 30 years ago, there's a couple of critical things that must be in place to ensure that what you plan to deliver to the end-user, in this case customer, and that hopefully not only meets their expectations, but exceeds their expectations.

And so one element of that is teamwork at many different levels. It's pretty important that as we take a look at this, what I call the ecosystem of Federal Financial Aid, it has many different stakeholders. Of course you have the students and their families in which we develop all of our business processes and technology systems for, but also it's very important to keep in mind the critical role that schools play. They are really the folks on the front lines who interact with students day in and day out and there were those critical moments of truth based on the technology platform that they have.

Then we start talking about some of the FSA vendors who perform technology services on our behalf and then we talk about now the software developers and providers who sell their wares and services to the schools themselves. And it might be some other integrate parties that all need to work in a single vision to be able

to develop, I think, the types of technologies that frankly our user population, especially those between the ages of 18 and 24 demand today. So I won't spend too much time going on, and on and on about the importance of technology. I've been able to see how technology can truly be transformational for the better. And technology that keeps the business perspective and the user perspective in mind otherwise they typically not only meet expectations, but has a level of performance that is sustainable over some period of time.

So the technology's changed, but the disciplines in terms of delivering them, there's no replacement for competency at every level. There's no replacement for good project, the program management, issue resolution, staying away from the infamous scope creep, what about a change control process. I think my team at times thinks I'm trying to become a technologist again when I ask them all these wonderful questions, but there were ingrained in me during my tenure with IBM.

So we're in a world that is moving readily toward a number of new technologies. Wherever you go, you not only see people with one smartphone, you might see them with multiple PDAs. We've got a whole generation of folks who have grown up with the web, with the internet. And we have a number of all of us who are – some will say we're early adopters, might be late adopters, but they're adopting and embracing the technologies because of the demand for higher productivity, accuracy, and improve overall customer experience.

So I want to do today, since I rarely get in a room with so many great thought leaders around technology as it pertains to post-secondary education, is kind of get your views on what you think is working well today, especially in terms of how we all work together and what do you think are some of the upside opportunities for better collaboration, for better solution definition, better business requirements, better ways to manage the expectations of the user community. So it's not limited to one area. I want to ask you to be as open and honest as possible. You'll find that I don't run from the brutal facts. I like to hear them. Once you acknowledge them and corroborate that they exist, then you can do something about them.

But at the same time, I'm not really interested in taking on a gripe fest for the next hour. I would prefer to also hear about the things you think, oh, or the things we should adopt that would make lives better for all concerned. And when it's all said and done, I want to

make sure that we develop technology solutions that really serve as enablers for greater productivity at the school level and make it easier and reduce the perceived barriers to access and completion in post-secondary education.

That being said, I'll open it up to the floor. And I see a couple of arms crossed, so they're taking themselves out of the discussion already. A couple of folks all ready to look down. Yeah, I took this great class on body language. There's so much stuff you can decipher from that kind of stuff. Now people are crossing their arms and uncrossing their arms just to trick me. They taught me that one too. No, but really, what's on the minds of folks? You guys have been in a room all day. I was not privy to some of the previous conversations. I would like to kind of get your thoughts on things. Yes, if you could state your name please and your firm.

Jan Levsen: Jan Levsen from SunGard. Couple of things that we talked about earlier today is XML ISER's been on the plate for a long time, we'd like to get away from the flat file process because it creates a lot of rework. We can get into XML, it's easier from year to year for the changes and for everything else and it's more current technology as well. Another thing that we talked about is, of course, getting things earlier as always. The Department of Ed has a very dedicated staff, they work hard, they work well with us, there's mutual respect. But of course, we always want things earlier so that we can respond earlier and be able to deliver our solutions timely to the clients, to the schools.

Bill: And to that point, what kind of ideas came up to be able to kind of collapse the cycle time that it takes so they can get information so you can start your part of the solution building sooner than later?

Jan Levsen: Well, I think part of Jim's presentation on the SharePoint would help because you guys will be able to collaborate easier and faster.

Bill: I see some heads nodding. SharePoint, okay.

Jan Levsen: We're here. Call us as you go through the process. Let us know what you need, we'll be glad to be a partner in the process.

Bill: Okay, will do. Thank you very much.

Jan Levsen: And my third point, well I've got two more, is the person identifier, the SSN thing. We've talked about that for years and that's so critical for the schools to not have that SSN out there and for many states, they can't show that anymore so it's really an

issue on getting that process moving and done. We talked about it for years. And the final thing is, many years ago we talked about web services, common web services that can be exposed that we all could use. And we went through and we prioritized stuff and put together a list and we'd like to pursue that too as far as – a lot of this stuff doesn't need to sit in one place. If we could put it all in web services, we can all use it much easier and more robustly.

Bill:

Oh, absolutely. Absolutely. A number of things that you mentioned, you're right. It's been in the public forum for discussion and some debate for some period of time and what we're trying to do now is to try a different approach to articulate the value proposition of a number of new technology and issues that we had at the Department.

And instead of walking in saying, "Well, we want to do some things around authentication. We want to take –" we take it typically now from the student side or the school side and talk about the additional workload and issues they face by using things like Social Security Numbers, which most organizations have moved away from for obvious reasons. So the more I hear from you, I think the better case that we can build hey, this is a generally accepted practice and frankly, we need to get moving on this and stop talking about it. Because it does pose a fairly significant risk, the PII, as long as we stay in the current state. So thanks for bringing that up.

Others? Well, the bar doesn't open for another two hours so, you know. Quiet group. Oh, come on. There's got to be at least a couple more. Some of this is for my edification I must admit, but I would also like to make sure I play back to you some of my thoughts on the things you're stating. Yes sir.

Ruben Garcia:

My name's Ruben Garcia, I'm with Campus Management, Product Manager. I work in Financial Aid Student Accounts, been in the school business for 20 years, just got into the software business last year so been a user for public schools and for profit schools. And I guess one of the challenges that I've seen as a user and now I hear from the client base is the fact that we've always focused on the student being the priority in the schools, but we're too busy handling processes and we're too busy handling systems and one of the disparities right now is really in the Department of Ed, if you look at all the systems that are out there, and they don't really talk to each other. Couple that on top of a student information system at a school where you also got to do the system of record, that's what you're going to get audited on, so one of the things that I see

that's a real challenge that I'd really like to see more of a public/private engagement, whether it's with software vendors or even an open audience from campuses, is the ability to start looking at your ecosystem, something that can be shared easily. We talked about single sign on earlier. It's a really a shame that people who really work really hard like school financial aid counselors have to actually drop in and out of systems to be able to really do a good job to help students.

Bill:

All right, yeah.

Ruben Garcia:

So that's one of the challenges I put out there is how do we move forward in getting to that point with either web services, collaboration, but ultimately that would then help solve the equation of let's quit having people work on technology and systems, let's have them work with students and counseling and help students understand what they're getting into.

Bill:

I totally agree with you and thanks for your comment and also your insight as well. I think the last thing that we want – I've learned this through my business career, let's leave – one of my mentors would talk to a group of cross functional team and maybe someone from Marketing and technology and operations and he would say, "Let's allow people to swim in their own swim lane." That was his way of say let's allow the subject matter experts in that area do that work. Let's not venture outside of our swim lane and try to do too much. Another disciplined that he also talked about was the fact that it's up to the folks who develop technology to really kind of do it in a way in which it's from the customer, from the user perspective and kind of work backwards from there. And so by documenting all of the manual processes that people have to go through to serve as kind of the human conductivity tool is far from being highly productive.

And in fact, as you well know, it can interject errors into the process as people write numbers down or they cut and paste incorrectly and so again, I think this session – I guess my hope is that this session will kind of **start** as a cornerstone where a number of technologists associated with the Federal Aid ecosystem can come together and have those brainstorming sessions in terms of how can we collectively come up with a kind of unifying platform and start the process on making the systems, the most critical systems, work and then kind of move on from there.

We all sit on infrastructures that have been cobbled together since 1965. That's the truth. It's been a lot of hard work, especially over the last 15 years or so at the school level and also in the

department level to try to make amends for somewhat of the fragmented nature of the infrastructure, especially data. And so we have some work to do there. But as we expand the **aperture** of discussion to those outside of the department – I do think it makes sense for us to have a continuation of this session with smaller groups of people to really kind of brainstorm things that we can get on the same page on whether it's standards or procedures, whatever it may be. We got to start with something first as kind of the unifying vision and then work backwards from there and say, "Here are a couple of areas where we think are opportunity rich that could make life easier for the Financial Aid Administrators and those that work in those offices, also make it easier for the student and if we're really good, make it easier for all of us." Cause I know you folks, you work really, really hard as well so yeah, the system we have right now is one in which there's a lot of upside **potential** in terms of optimization and I'll do whatever I can to voice your thoughts and ideas to folks in Washington so that we can put more effort toward technologies building great solutions and those folks who interact with students can focus the majority of their time on building the relationship with the student and solving the student's financial problem.

Now I can hear some folks in the end-user community saying, "No, but now we're technologists now." I prefer not to have everything think that they're a technologist and many people don't want to be technologist, but the nature of resource constraints and other things have kind of forced them in to that arena and we ought to think about ways in which we can have them not forget about their technology experience cause I think a educated consumer is always better when you're a service provider, but I do think we need to find ways so that their percentage of time spent on technology related issues or woes or delivery gets cut way down. And the job in which they originally signed up for, which is working with students and developing aid packages and serving as part counselor and financial advisor and mom and dad for the students who are away from home can be enriched. All right, do we have one more? All right, gentleman up front.

Matthew Holland: Thank you.

Bill: Name, rank, and serial number please.

Matthew Holland: Okay, name, Matthew Holland, supervisor of Financial Services at the Fashion Institute.

Bill: Okay.

Matthew Holland: And Designer Merchandising, Los Angeles and San Diego.

Bill: Excellent.

Matthew Holland: Let's see. There were a few concerns that I voiced earlier with some detail, not a lot but more than I'll go into right now. But essentially that boiled down to the fact that this particular year where the new site went up with the plus application processing online, well it really seriously impacted schools and students using EDEXpress. There was just a lot of problems associated with COD's awareness of exactly how their own site worked or that Express' folks understanding how COD's files were coming in and
—

Bill: And how much of that was poor communication or suboptimal communication versus documentation versus just a technology glitch?

Matthew Holland: Well, there were glitches that I was made aware of through great effort in reforming and building a lot of relationships from my own office, my own desk. I'm just one school, but COD was not disclosing issues that were coming up throughout this transition fully in their documentation. So it was very difficult to get to the bottom line as to what was going on and there weren't a lot of workarounds. One thing I appreciated that was EDEXpress folks maybe they understand their product, their product didn't go through the changes the COD system went through, but when they have an issue, they do come up with some kind of workaround.

Bill: Yes.

Matthew Holland: And it's flexible enough, so as an EDEXpress user, I'm pretty pleased with that product, but I was really surprised that in this year when direct loan was going out for all schools that even EDEXpress folks would be unaware of changes that were happening at COD.

Bill: COD, yeah.

Matthew Holland: You know?

Bill: Yea.

Matthew Holland: So what brought me up to the microphone though was something that you said reminded me that earlier this spring, during the regional direct loan training that was going on, the presenters that

we saw really didn't even understand what was going to be coming up with the new site. So what I would like to see, if possible, is just a better presentation really of what you guys are going to be doing, whether it's coming from the trainer, or help desk at COD. You know.

Bill: But they were –

Matthew Holland: Just kind of get everybody talking.

Bill: Yup. We can definitely improve in that regard as I see a few heads nodding.

Matthew Holland: Thank you.

Bill: And I'm not going to sit here and make excuses. A lot of what was done in direct lending, as you all know the legislation was passed on the end of March and thank you goodness all of you, including ourselves, have been working toward that impending legislation, however the difficult aspect of all of our jobs, including mines since I'm a federal appointee is that I cannot opine on existing legislation so we all were kind of in this situation where we think it may pass or it may not pass and so a lot of things that we would probably wanted to communicated earlier we could not do because it would have sent an inappropriate message that maybe we were chiming in inappropriately on impending legislation so we had a very short window from which to execute and to speed to delivery.

At times there's less than pristine approaches being used. Now that being said, I have heard in the past that we've also had some challenges on that front, not only with COD, but some other systems and I think we can improve in terms of communication and documentation areas. The good news is you folks made it work so thank you. I thank you from the bottom of my heart. Millions of Americans were counting on all of us to do the mad scramble come April 1st and to ensure that every eligible student that wanted a loan and let's not forget about grants as well that they receive those dollars. And I'm happy to tell you that 99.9 percent of all the schools have originated a loan.

And there were folks who said, "This would never work." But I guess I had more confidence in the folks in this room and those folks across this country who have great passion for students and they made it work. It may not be – it's far from optimal. I'll be the first one to tell you, but the first job at hand is make it work and

clean up some of the imperfections later on. So I guess we're in that stage. Any other comments, questions? Yes sir.

Cliff Smallwood: Hi, my name is Cliff Smallwood from Campus Management, kind of doing an appeal to you, see if maybe you could help us.

Bill: Sure.

Cliff Smallwood: This is in response to an answer I got about the CPS test system earlier which I believe is scheduled to be ready on December 15th or 12th.

Bill: You want it soon?

Cliff Smallwood: If – well, in the past years it has been. This year, keep in mind that we go live on July 1st, I mean I'm sorry, on January 1st or 2nd.

Bill: Right.

Cliff Smallwood: So that only gives vendors two and a half weeks to test the software.

Bill: Yeah.

Cliff Smallwood: Now I understand there's logistics behind it and I don't expect that if they put it off that the whole system could be ready, but simply if the CPS ISERs could be ready, that would help vendors and anybody else because my understanding is that they saw that in past years there weren't that many people doing it, well that's probably because most of the schools are – a good portion of the schools' relying on several vendors across the country so they probably don't see that much activity. But certainly anything that you could do, I'm sure if you ask for a show of hands in here of the vendors, I'm sure every single one would raise their hand that having those, at least the ISERs - if we have a scheduled that where's it's going to be out on that specific date and we're just waiting to do it, if those ISERs are ready, I think would be very helpful to have those posted.

Bill: Thanks for your comments.

Cliff Smallwood: Thank you.

Bill: I'm hearing the ISER would be posted this Friday so we'll be able to get that to you this Friday. My team is confident and nodding

their heads so I know that's the first step you're looking for and we'll work harder next time that we do cut down the cycle time.

Any other questions? Comments? Well, with that being said, thank you so much for your time and your insights, greatly appreciate it and thanks for inviting me.

