



Friday
September 19, 1997

Part VI

**Department of
Education**

**Student Assistance General Provisions;
Notice**

DEPARTMENT OF EDUCATION**Student Assistance General Provisions**

AGENCY: Department of Education.

ACTION: Notice of deadline dates for institutions to use designated electronic processes in order to meet administrative capability requirements for participation in the Student Financial Assistance Programs authorized by title IV of the Higher Education Act of 1965, as amended (HEA).

SUMMARY: In accordance with the provisions of 34 CFR 668.16(o), the Secretary gives notice to institutions of the designated electronic processes in which they must participate, and the respective deadline dates. Table A provides a listing, with deadline dates, of those designated electronic processes. Table B provides institutions with technical hardware and software specifications for both current and future levels of participation in the designated electronic processes.

As provided for by the regulation, the Secretary considers an institution that fails to participate in one or more of the electronic processes listed in this notice by the respective deadline date for that process, to lack administrative capability to administer the title IV, HEA programs properly.

FOR FURTHER INFORMATION CONTACT:

1. *Title IV Federal Student Aid Program Policy:* Jacquelyn C. Butler, U.S. Department of Education, 600 Independence Avenue, S.W. (ROB-3, Room 3045), Washington, DC 20202-5447. Telephone: (202) 708-8242.

2. *Title IV Wide Area Network (TIV WAN):* Title IV WAN Customer Service, P.O. Box 30, Iowa City, IA 52244. Telephone: 1-800-615-1189

3. *"Info for Financial Aid Professionals" website or the Student Financial Assistance Bulletin Board System (SFA BBS):* Customer Support Branch, U.S. Department of Education, 600 Independence Avenue, SW. (ROB-3, Room 3108A), Washington, DC 20202-5231. Telephone: 1-800-433-7327.

4. *Electronic Application for Approval to Participate in Federal Student Aid Programs:* Patricia Patterson, Institutional Participation and Oversight Services, U.S. Department of Education, 600 Independence Avenue, SW. (ROB-3, Room 3682), Washington, DC 20202-5300. Telephone: (202) 260-5742.

5. *Fiscal Operations Report and Application to Participate (FISAP):* Campus Based Programs State Representatives, Institutional Financial

Management Division, U.S. Department of Education, 600 Independence Avenue, SW. (ROB-3, Room 4714), Washington, DC 20020-5458. Telephone: (202) 708-7741.

6. *Federal Pell Grant Reporting:* Financial Management Specialists, Institutional Financial Management Division, 600 Independence Avenue, SW. (ROB-3, Room 4714), Washington, DC 20202-5458. Telephone: (202) 708-9807.

7. *National Student Loan Data System (NSLDS):* F. Lynn Alexander, U.S. Department of Education, 600 Independence Avenue, SW. (ROB-3, Room 4520), Washington, DC 20202-5259. Telephone: (202) 708-8125.

8. *Project EASI (Easy Access for Students and Institutions):* Fred Sellers, U.S. Department of Education, 600 Independence Avenue, SW. (ROB-3, Room 3045), Washington, DC 20202-5447. Telephone: (202) 708-8242.

Individuals who use a telecommunications device for the deaf may call the Federal Information Relay Service at 1-800-877-8339 between 9 a.m. and 8 p.m., Eastern Time, Monday through Friday.

Individuals with disabilities may obtain this document in an alternate format (e.g., Braille, large print, audiotape, or computer diskette) on request to Vicki Wilson, U.S. Department of Education, 600 Independence Avenue, SW., (ROB-3, Room 3030), Washington, DC 20202-5352. Telephone: (202) 708-8619.

SUPPLEMENTARY INFORMATION: On November 29, 1996, the Secretary published final regulations in the **Federal Register** (61 FR 60603) that require institutions to participate in the electronic processes that the Secretary identifies and provides during a processing year in order to improve the delivery of title IV, HEA program funds to students and institutions and to protect further the Federal fiscal interest. An institution will be able to use software provided by the Secretary or software developed by the institution, or its vendor, in accordance with specifications provided by the Secretary. The Secretary believes that the savings and benefits from improved business processes made possible by using these electronic processes will more than offset any necessary initial investments by both the Department of Education (Department) and by institutions. To achieve these savings and benefits, it is essential that, to the extent practicable, electronic processes and, in the future, magnetic tape and cartridge data submissions, replace paper processes at both the Department

and institutions. The Secretary also believes that most institutions already have the necessary equipment and technical expertise to use these processes, and institutions that have to purchase or replace equipment to meet the standards will be making an investment that will improve their institutional processes at minimal cost.

The Secretary believes that use of these electronic processes is also essential to the implementation of Project EASI. Project EASI is an initiative of the Secretary to pursue a collaborative effort among a diverse group of government, business, and educational leaders to develop an integrated student aid delivery system available not only to students and their families but also institutions, State agencies, and others.

As part of Project EASI, the Secretary is joining with other partners in the student aid delivery system in the development of data standards and standards for electronic transmission of data. Electronic data interchange (EDI) standards of the American National Standards Institute now exist for numerous applications relevant to the student aid delivery system. They include electronic payments, invoices, purchase orders, student transcripts, enrollment verifications, student loan applications, and transfer and status verifications. Using the EDI process, the Secretary with other partners in the student aid delivery system, will provide agreed upon data standards that can be updated as new needs arise. The Secretary believes that EDI standards are an important basis to achieving systems integration and will participate in their development and implementation for the title IV, HEA programs. Additional information about Project EASI can be found at <http://easi.ed.gov> on the Project EASI World Wide Web home page.

This notice also furthers the implementation of the Secretary's initiatives to reduce burden and improve program accountability by using electronic processes to achieve an integrated student aid delivery system for students and institutions. The Secretary believes that using these electronic processes is essential to simplifying program administration, improving program accountability, and providing institutions with the experience necessary to begin developing an expertise in using the electronic processes that the Department provides. This expertise is essential to the implementation of additional electronic processes that the Secretary expects to use in administering the title IV, HEA programs.

In order to assist institutions with their implementation of these designated processes, the Secretary will be offering a series of informational and hands-on training activities. On October 16, 1997, the Department will broadcast another in its series of video-conferences. That video-conference called, "SFAP Update: The 1998-99 FAFSA and More," will focus on the electronic requirements contained in this notice as well as on changes to the federal student aid delivery system for the 1998-99 award year. In November and December of this year, the Department will, once again, present three on-site conferences where institutions can learn about the electronic processes required by this notice as well as other electronic services available from the Department. The first of these conferences, "A Second Decade of Partnership Through Electronics," will be held in St. Paul, Minnesota from November 4 through November 6. The second will be in Seattle, Washington from November 17 until November 19. The final conference will be from December 16 through December 18 in Boston, Massachusetts. For additional information on these conferences, visit our website at <http://edeworkshop.walcoff.com>.

The conference sites are accessible to individuals with disabilities. An individual with a disability who will need an auxiliary aid or service to participate in the conference (e.g., interpreting service, assistive listening device, or materials in an alternate format) should notify Vicki Wilson, U.S. Department of Education, 600 Independence Avenue, SW., (ROB-3, Room 3030), Washington, DC 20202-5352, Telephone: (202) 708-8619, at least two weeks before the scheduled conference date. Although the Department will attempt to meet a request received after that date, the requested auxiliary aid or service may not be available because of insufficient time to arrange it.

Finally, the Department will begin training in February 1998 throughout the country on "The Electronic Financial Aid Office" focusing on the uses of electronics in the administration of student financial aid programs.

Electronic Access to This Document

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Note: The official version of this document is the document published in the **Federal Register**.

Table A: Designated Processes and Deadline Dates

This table provides a listing of the electronic processes, and their respective deadline dates, in which institutions must participate in order to be considered administratively capable to participate in the Title IV student assistance programs. The Secretary will provide additional details on these requirements in a letter that will be sent to all participating institutions.

Deadline date	Designated electronic processes
January 1, 1998	1. Participate in the Title IV Wide Area Network (TIV WAN). 2. For the 1998-99 Processing Year ¹ and Beyond: a. Receipt of Institutional Student Information Records (ISIRs). ² b. Adding Your Institution to the Central Processing System Record (CPS). c. On-line Access to the National Student Loan Data System (NSLDS).
July 1, 1998	1. Access to the "Info for Financial Aid Professionals" website or the Student Financial Assistance Bulletin Board System (SFA BBS). 2. Submission of the Application for Approval to Participate in Federal Student Aid Programs (recertification, reinstatement, and changes) through the Internet. 3. Submission of the Fiscal Operations Report and Application to Participate (FISAP) to the Title IV Wide Area Network (TIV WAN). Diskettes will be eliminated.
July 1, 1999	1. For the 1999-2000 Award Year and Beyond: Report Federal Pell Grant Payments Electronically or on Magnetic Tape or Cartridge to the Title IV Wide Area Network (TIV WAN). Diskettes will be eliminated. 2. Submit Student Status Confirmation Report (SSCR) data Electronically or on Magnetic Tape or Cartridge to the National Student Loan Data System (NSLDS). Diskettes will be eliminated. 3. Submit Federal Perkins Loan Data Electronically or on Magnetic Tape or Cartridge to the National Student Loan Data System (NSLDS). Diskettes will be eliminated.

¹ The application processing cycle lasts 18 months. For the 1998-99 award year, application processing begins in January 1998 and applications for that year will be accepted until June 30, 1999. (See The 1997-98 Counselor's Handbook for Postsecondary Schools, page 19.)

² The Secretary realizes that processing title IV aid upon the receipt of an ISIR, rather than the paper Student Aid Report (SAR), may be new for some institutions. In order to provide these institutions sufficient time to implement electronic procedures to receive ISIRs, the Secretary will not assess any penalties against an institution that is not able to comply with this requirement on January 1, 1998. However, beginning July 1, 1998, all institutions are expected to be receiving ISIRs electronically for any title IV applicant who has listed that institution on the applicant record in the CPS.

Technical Specifications

The technical specifications table that follows provides institutions with information regarding hardware and software requirements that will enable them to participate in these designated electronic processes. Some of the

specifications, while not needed to meet the current requirements designated in this notice, will be required in future years as the title IV student aid programs delivery system is upgraded and enhanced. Therefore, institutions should include in their automated data

processing budgets, on a regular basis, plans for upgrades and enhancements to their systems.

The table includes two columns of specifications. The left column provides information on the current minimum configuration needed in order for an

institution to maintain a basic level of electronic efficiency. The right column provides information on the configuration that will be needed to support the electronic requirements beginning in January 1999 as designated in this notice. Although many institutions are able to participate electronically using the current minimum configuration, it is recommended that institutions that need to acquire resources in order to meet the requirements of this notice

invest in the equipment and software that will be needed in the future (January 1999). Schools that currently participate electronically should prepare to upgrade their equipment and software in time to meet the January 1999 requirements. When reviewing these specifications, institutions should be aware that capacity requirements (processor speed, RAM, hard drive storage, etc.) are greatly affected by specific factors at each institution, including which EDEXpress functions

the school uses, number of records processed, and institutional database interfaces.

Finally, institutions should particularly note that, beginning on January 1, 1999, for the 1999-2000 processing year, the Department's electronic processes will require a Windows 95 or Windows NT operating system. Neither the Disk Operating System (DOS) or earlier versions of Windows will be supported.

TABLE B.—TECHNICAL SPECIFICATIONS

	Current minimum configuration (depending upon volume and usage)	Minimum configuration required by January 1999
Equipment	IBM or fully IBM-compatible PC 66 MHz Processor 486DX2 16MB RAM 300MB Hard Disk Space 14,400 bps or higher baud Hayes or comparable Modem. 3.5"/1.44MB Diskette Drive SVGA Monitor Standard Keyboard Printer capable of printing on standard paper (8½" x 11"). 4x CD-ROM Drive with sound board *	IBM or fully IBM-compatible PC. 200 MHz Pentium Processor or comparable. 64MB RAM. 4.0 GB SCSI Hard Drive. 56K Analog Modem. 3.5"/1.44MB Diskette Drive. SVGA Monitor. Windows 95 Keyboard. Laser printer capable of printing on standard paper (8½" x 11"). 12x CD-ROM Drive with sound board.*
Software	MS-DOS version 6.2 or higher; Windows 3.1, 3.11 or 95. Internet Service Provider (ISP).** Netscape Navigator 3.0 or 3.01 (domestic) or web browser.***	32 bit operating system (Windows 95 or Windows NT 4.x). Internet Service Provider (ISP).** Netscape Navigator 3.0 or 3.01 (domestic) or web browser.***
Phone Line	Dedicated phone line	Dedicated phone line.
Diskettes	3.5" high-density double-sided diskettes	3.5" high-density double-sided diskettes.

* Required if institutions want to use the EDEXpress Tutorial and the AWARE software.

** Will be necessary to access the "Info for Financial Aid Professionals" website or the Student Financial Assistance Bulletin Board System and for submission of the Application for Approval to Participate in Federal Student Aid Programs (recertification, reinstatement, and changes).

*** Must use Netscape Navigator 3.0 or 3.01 (domestic) in order to utilize FAFSA on the web.

Applicable Regulation

The regulation applicable to this notice is the Student Assistance General Provisions, 34 CFR part 668.

(Authority: 20 U.S.C. 1082, 1085, 1094, 1099c)

Dated: September 9, 1997.

David A. Longanecker,
Assistant Secretary for Postsecondary Education.

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