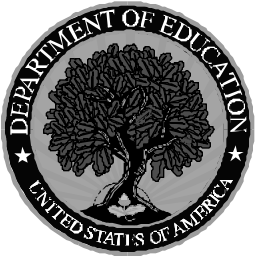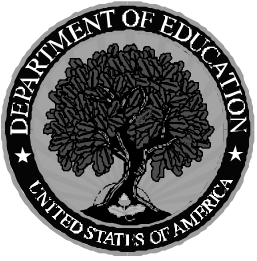# Welcome to
U.S. Department of Education Update
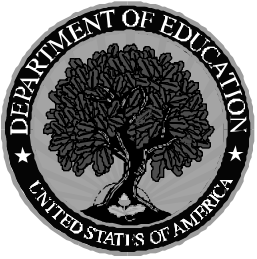
Opening Remarks

**Diane Rogers
Acting Deputy Assistant Secretary
Student Financial Assistance
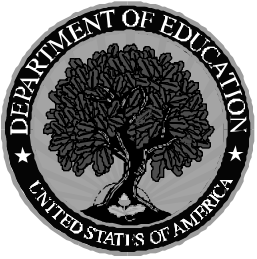Programs**

State of the Delivery System

Jerry Russomano
Director, Program Systems Service

PC PRODUCTS:
The Last 12 Months

Product	Promised Date
● FAFSA Express	12/97
● FAFSA on the Web	1/98
● Renewal FAFSA on the Web	1/98
● EDExpress for Windows	
– Application	1/98
– Packaging	1/98
– QA	2/98
– Direct Loans	2/98
– Pell Payment	6/98
– FISAP	8/98
– SSCR(32-bit)	
● Pell Payment for DOS	6/98

PC PRODUCTS:
The Last 12 Months

Product	Promised Date	Actual Date
● FAFSA Express	12/97	12/97
● FAFSA on the Web	1/98	1/98
● Renewal FAFSA on the Web	1/98	1/98
● EDExpress for Windows		
– Application	1/98	12/97
– Packaging	1/98	12/97
– QA	2/98	2/98
– Direct Loans	2/98	2/98
– Pell Payment	6/98	6/98
– FISAP	8/98	7/98
– SSCR(32-bit)		5/98
● Pell Payment for DOS	6/98	6/98

Other Highlights
The Last 12 Months

FAFSA Processing

- **Postscreening of FAFSA Data**
- **Applications distributed earlier than ever**
- **Almost 1/4 of FAFSAs are electronic**
- **118,300 EACs were requested**

TIVWAN
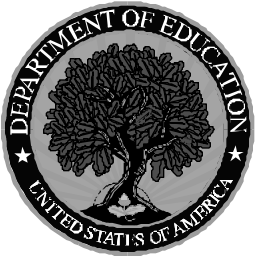
- **Password Expiration - 120 Days**

Other Highlights
The Last 12 Months

Pell Grants

- **PGRFMS startup on July 1, 1998**

Direct Loans

- **Borrower Access Via Web**
- **Electronic Delinquency Report via TIVWAN**
- **Electronic Debit Account**
  - **12,600 borrowers so far**
  - **38,600 by end of July**

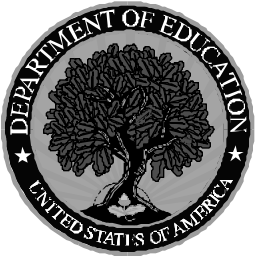# Other Highlights
The Last 12 Months

NSLDS

- **Password Expiration - 120 Days**
- **Moved to New Data Center - 2/98**
  - **Major Cost Savings**
- **Daily Pell Updates**
- **Improved Data Quality (GA focus)**

PC PRODUCTS: The Next 12 Months

- **Everything will be 32-bit***
  - **Action Letter # 2 - October 1997**
- **FAFSA Express**   **12/98**
- **FAFSA on the Web**   **01/99**
- **Renewal FAFSA on the Web**   **01/99**
- **EDExpress for Windows**
  - **Application**   **12/98***
  - **Packaging**   **12/98***
  - **Quality Assurance**   **02/99**
  - **Direct Loans**   **02/99***
  - **Pell Payment**   **05/99***
  - **FISAP**   **07/99***

Windows 95, Windows NT or higher
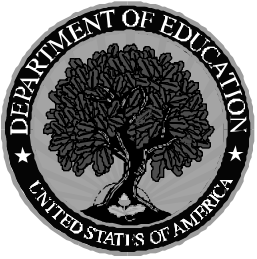
FAFSA PROCESSING: The Next 12 Months

- **Application Processing System Start-up**
  - **1/15/99**
- **Simplified FAFSA**
  - **VA match for Dependency Status**
  - **FAFSA & Draft ISIR layout available in PC Lab**
- **Customer Service Web Site**

NSLDS:
The Next 12 Months

- **Student Web "*Proof of Concept*"**
- **Modernize On-line Screens**
- **Data Quality Targets**
  - **Perkins Schools**
  - **Direct Loan Program**
  - **Debt Collection**
  - **SSCR Data**
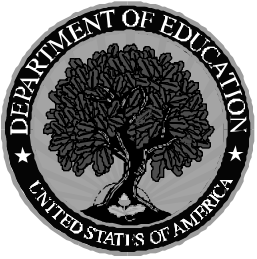- **Windows Software for Data Providers by 1/99***

*Windows 95, Windows NT or higher
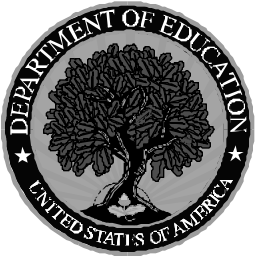
TIVWAN:
The Next 12 Months

- **Retirement - Move to Web**
- **EDCONNECT**   **12/98***
- **Network Enrollment Page**   **02/99**
- **Will Hold Three Electronic Access Conferences**
  - **Kansas City, MO**   **11/17-11/19**
  - **Washington, DC**   **12/01-12/03**
  - **San Diego, CA**   **12/15-12/17**
- **Second Annual Conference with**
  Third Party Software Providers   **08/27-08/28**

*Windows 95, Windows NT or higher

Direct Loans:
The Next 12 Months

- Web Site Enhancements
- Investigate Other Repayment Options
  - Coupon Books
  - Credit Cards
- Closeout years 2 and 3
- Master Promissory Note
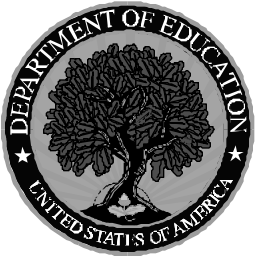
Pell Grants:
The Next 12 Months

- **DOS Is Gone!**
- RFMS Development/Implementation
  - Conforms to Modernization Goals
  - Common Origination/Disbursement
  - Simplified Web Access
  - Implementation - April, 1999

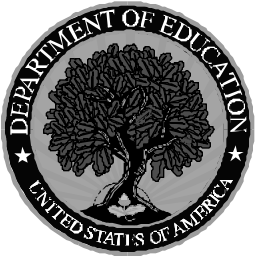# Program Systems Service

YEAR
2000

THE Y2K PROBLEM

- Many Systems Store and Express Years as two-digit

- At the turn of the century, some applications and systems may crash, or incorrectly interpret dates

- Affects PCs, LANs, Telecommunications Systems, and Systems Equipment with Embedded Technology

The Effect on the Community

- Entire community will be affected; immediate action needed
- Requires significant lead time and resources
- ED and the community must work together
- All ED electronic trading partners must be compliant by 3/31/99

ED's 5-Phase Strategy

- **AWARENESS:** Definition & Promotion
- **ASSESSMENT:** Inventory & Analysis
- **RENOVATION:** Conversion & Replacement
- **VALIDATION:** Testing & Verification
- **IMPLEMENTATION:** Activation

Program Systems Service Year 2000 Compliance Project
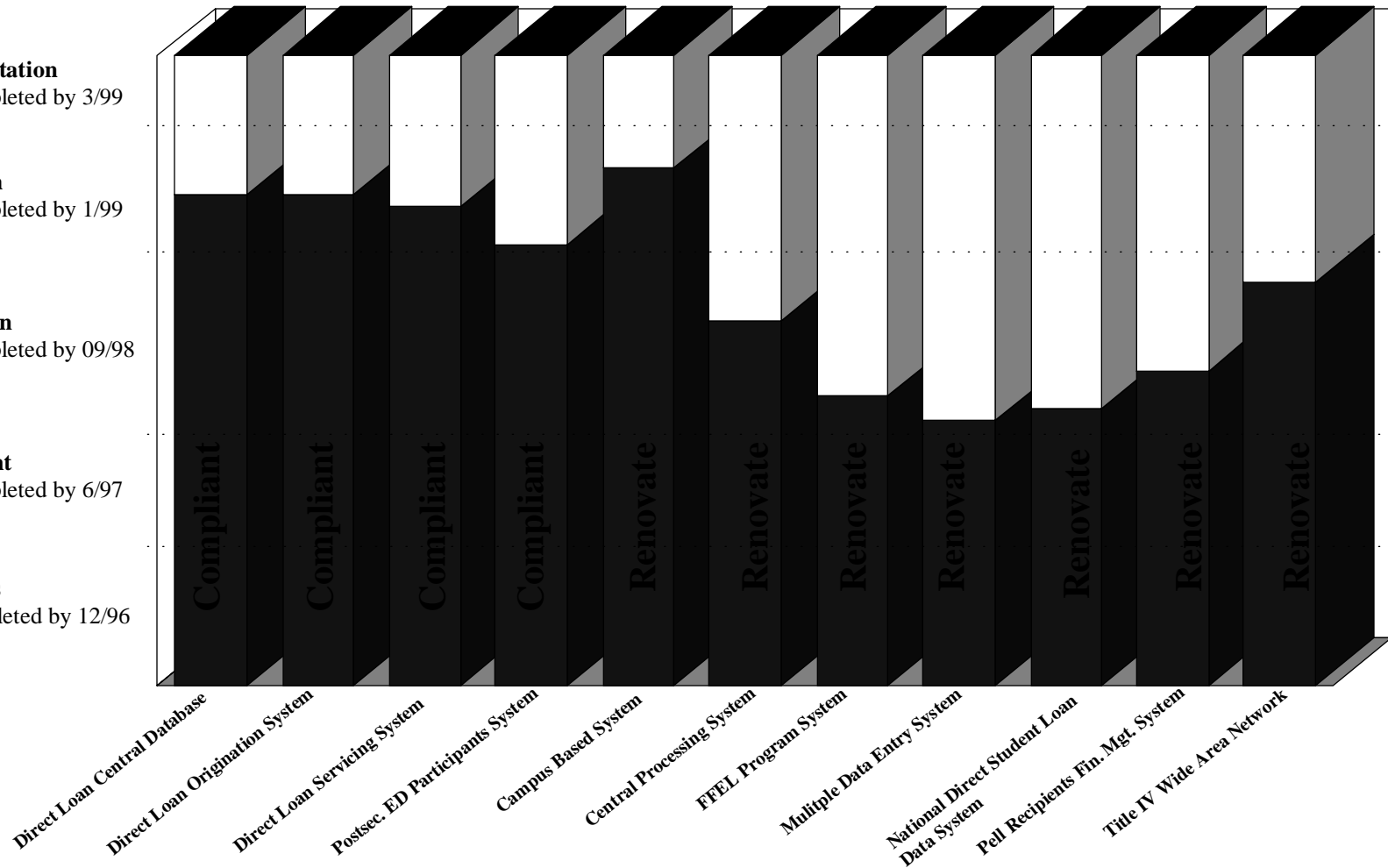## *Status of Mission Critical Systems as of 5/15/98*

OMB Milestones

Implementation
to be completed by 3/99

Validation
to be completed by 1/99

Renovation
to be completed by 09/98

Assessment
to be completed by 6/97

Awareness
to be completed by 12/96

Compliant — Direct Loan Central Database
Compliant — Direct Loan Origination System
Compliant — Direct Loan Servicing System
Compliant — Postsec. ED Participants System
Renovate — Campus Based System
Renovate — Central Processing System
Renovate — FFEL Program System
Renovate — Mulitple Data Entry System
Renovate — National Direct Student Loan Data System
Renovate — Pell Recipients Fin. Mgt. System
Renovate — Title IV Wide Area Network

Program Systems Service Year 2000 Compliance Project
Status of Mission Critical Systems as of 8/15/98
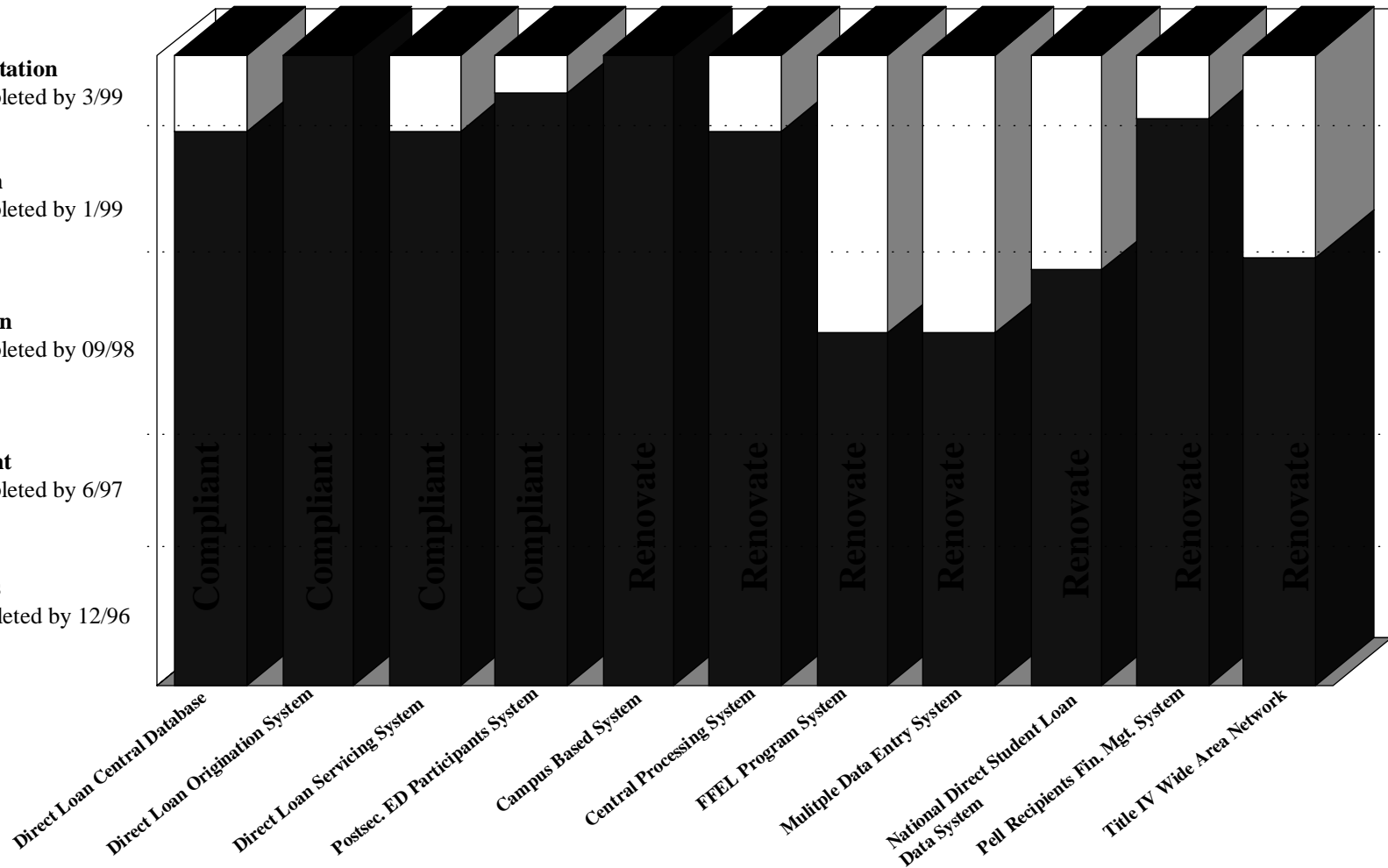
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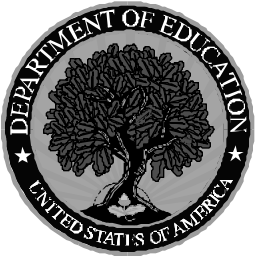
Awareness
to be completed by 12/96

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Renovate — FFEL Program System
Renovate — Mulitple Data Entry System
Renovate — National Direct Student Loan Data System
Renovate — Pell Recipients Fin. Mgt. System
Renovate — Title IV Wide Area Network

PC PRODUCTS

- **EDE Products use 4-digit year**
- **Certify in Writing By January 1999**
- **STATUS:**

	1998-1999	1999-2000
Applications	Retire	9/98
Packaging	Retire	9/98
Direct Loans	9/98	1/99
Pell	Done	1/99
FISAP	Retire	Done
QA	11/98	11/99
SSCR	Done	Done
EDCONNECT	Retire	11/98
NSLDS Data Provider		1/99

Year 2000 DATA EXCHANGE TESTS

- **GOAL:** Test With Selected Sites During Early 1999

- **GOAL:** Test With All Interested Sites 4/1/1999 - 9/30/1999

Year2000 At Schools

- Check ED's Web Site
  - www.ed.gov/y2k
- Does Your Institution Have A Plan?
  - Review it for dates, resources, progress
- Make Sure Dates Are CCYY/MM/DD
- Make Sure the PCs are Y2K Compliant
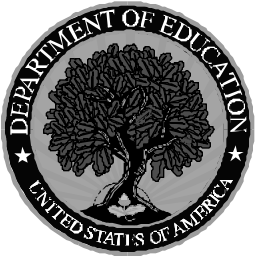- ED is upgrading its Y2K edit checks

AND DON'T FORGET . . .

There Are 534 Days
Until the Year 2000!

Policy Update

Jeff Baker
Director, Policy Division
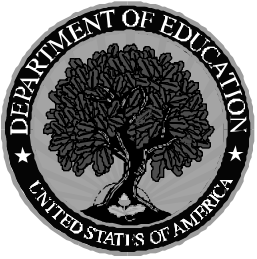**Policy, Training, and Analysis Service**

LETTERS

- **ANN-98-1**   **Web Site (IFAP.ED.GOV)**
- **ANN-98-5**   **NSLDS Training**
- **ANN-98-8**   **New RFMS Pell System**
- **CB-98-2**   **1999-2000 FISAP Changes**
- **CB-98-6**   **FWS/Family Literacy Programs**
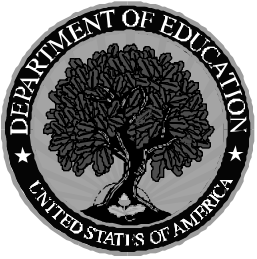- **CB-98-7**   **Release and Request of Funds**

Dear Colleague Letters (GEN)

- **GEN-98-1**   **Year 2000 Issues**
- **GEN-98-6**   **NSLDS Postscreening**
- **GEN-98-12**   **Action Letter #5 - ISIR/SAR**
- **GEN-98-13**   **Action Letter #6 - Third Party Vendor Conference**
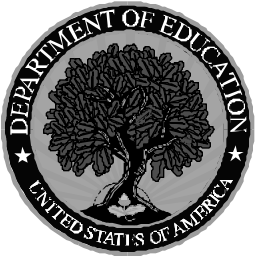- **GEN-98-14**   **Action Letter #7 - Reporting of Overpayments to NSLDS**

UPCOMING DCLs

- **Peace Corps and Economic Hardships**

- **Electronic Access Conferences**

- **Extension for Health Professions Students**

NPRMs and REGs

- **Peace Corps and Economic Hardship**

- **Loan Servicing Appeals**

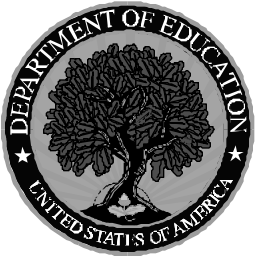- **Consortiums and Contracts**

TRAINING

- **NSLDS Hands On - August thru October**
- **Video Conference - App Processing/RFMS**
- **Electronic Access Conferences**
  - **Kansas City**
  - **Washington**
  - **San Diego**

MASTER PROM NOTE

- **FFEL and Direct Loans/Separate Notes**
- **New Note for 1999-00**
- **Multi-Year Functionality**
  - **Begins with 2000-01**
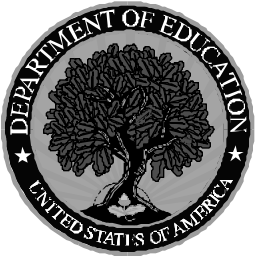 - **Four-Year and Graduate Schools**

NSLDS Postscreening

- **Implementation of Post-Screening for Changes in Eligibility (GEN-98-6)**
  - Non Default to Default
  - Default to Non Default
  - Non Overpayment to Overpayment
  - Overpayment to Non Overpayment
  - Scan NSLDS Every Two Weeks
  - Create New CPS Transactions
  - Noted as NSLDS Changes
  - Separate Message Class in 1999-00

NSLDS Postscreening

- **To Date Results**
  - Ten Cycles (Every Two Weeks)
  - 28,967 Applicants Selected
  - 6,577,000 Applicants /.44 per cent
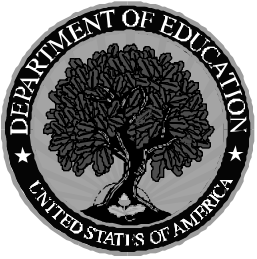 - 53% Bad to Good
  - 47% Good to Bad

NSLDS Overpayments Reporting

- **Schools to Input Overpayments**
  - See 1998-99 Action Letter #7 (GEN-98-14)
  - See Chapter 7 of "The Paperless Link"
  - Pell, FSEOG, and Perkins
  - Beginning Now
  - Deadline of October 31, 1998
  - Must Keep Current - 30 Days
  - Special Instructions for Student Eligibility
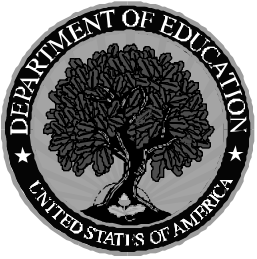 - Special Input Instructions for Older Records

PELL PAYMENTS

- **Recipient Financial Management System (RFMS)**
- **1999-00 Award Year**
- **Consistent With Project EASI Vision**
- **Moves Toward Common Reporting for All Programs**
- **Early Warning of Problems**
- **Minimizes Rejects/Assumptions**
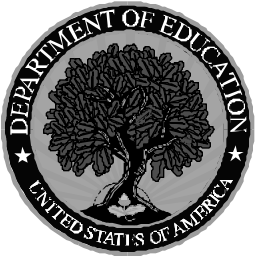- **Minimizes Overpayments**

PELL PAYMENTS

- **Promotes Program Integrity**
  - **$7 Billion**
  - **4 Million Recipients**
  - **Most Visable Grant Program**
  - **Model Program**

PELL PAYMENTS

- **Origination Record**
  - Identifiers, Award Amounts, Disbursement Dates
  - Awarding Criteria (Formula, COA, EFC, enrollment status, etc.)
  - Multiple School Warnings
  - Full Editing with Acknowledgment
  - Submitted Anytime
  - Submitted with Disbursement Records

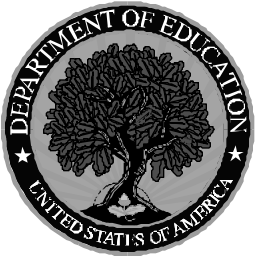# PELL PAYMENTS

- **Disbursement Record**
  - Identifiers
  - Disbursement Date
  - Disbursement Amount
  - Edited Against Origination Record

RECERTIFICATION

- **Electronic Application**
  - Recerts
  - Reporting Other Changes
  - Through the Internet
- **Cohorts**
  - First 4 were small between 100 and 200
  - Next will be between 600 and 800
  - Notification Sent 180 days prior to expiration
  - If App Received Within 90 Days School Can Continue Month to Month

DEFAULT RATES

- **FY 95 Rate Appeals Resolved by 8/31/1998**
- **FY 96 Official Rates Released on 10/26/1998**
- **FY 97 Draft Rates Released on 3/1/1999**
- **FY 97 Official Rates Released on 9/29/1999**