

FINANCIAL AID PROCESSING TEAM REPORT

CHARGE

Identify a sustainable structure for providing financial aid processing services to the campuses while leveraging and optimizing both human and financial resources toward a single college infrastructure. This team will assess the current organizational structure, inventory campus activities, staffing levels and duties, identify technology supports needed to facilitate the streamlining process, document opportunities to integrate functions, and identify tasks and processes that integrate administrative functions across all institutions as well as the system office to eliminate redundancies and increase efficiency.

MEMBERSHIP

System Office Team Lead

Steve McDowell	Director of Financial Aid Services	CSCU
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Members

Sandra Barnes	Professor of Biology	HCC
Richard Bishop	Director of Financial Aid	CCSU
Ralph Brasure	Director of Financial Aid	COSC
Greg DeSantis	Associate Director of Financial Aid Services	HCC
Luis Guamàn	Director of Financial Aid Services	NCC
Peter Harris	Director of Enrollment Management	MCC
Jennifer Horner	Director of Financial Aid	ECSU
Margaret Malaspina	Director of Financial Aid Services	CCC
Stacey Musulin	Assistant Director of Financial Aid Services	CSCU
Noel Rosamilio	Associate Dean of Enrollment Management	NVCC
Elena Schmitt	Professor of the World Languages & Literature	SCSU
John Shafer	Professor/Coordinator - Communication	MxCC
Melissa Stephens	Director of Financial Aid & Student Employment	WCSU
Sandra Vitale	Director of Financial Aid Services	TxCC

MEETING SCHEDULE

Wednesday, May 24, 2017	10:00am – 12:00pm	System Office, Room 206
Monday, June 5, 2017	12:00pm – 2:00pm	System Office, Room 207
Wednesday, June 21, 2017	10:00am – 12:00pm	System Office, Room 207
Friday, July 7, 2017	10:00am – 12:00pm	System Office, Room 207
Thursday, July 13, 2017	9:00am – 11:00am	System Office, Room 304
Tuesday, July 18, 2017	10:00am – 12:00pm	System Office, Room 207
Thursday, July 20, 2017	10:00am – 12:00pm	System Office, Room 207

STRATEGIES

The Financial Aid Processing Team reviewed current and historical data and held discussions to uncover potential roadblocks and barriers to entry for students. The team also reviewed core policies and procedures to identify similarities and differences across each institution, and surveyed the feasibility, effort, and success/failure associated with each. The conversations led to the development of six strategies that target revenue generation by way of expedited processing and increased enrollment in support of a single community college structure.

- Centralized Community College Enrollment Management
- Verification Plan
- “No Drop” Policy
- Student Communication
- CSCU Financial Literacy
- Common Policy and Procedure Manual

These strategies are heavily reliant on information technology and resources. With the understanding that the system has made substantial purchases of products that will be useful over the next several years, the system and functions related to all areas of enrollment management are at an incredible disadvantage until those tools are fully available for use.

Of note, consolidation into a single community would create the largest institution in the northeast United States. Based on [IPEDS](#) data for Fall 2014 enrollment in comparison to our own, a single community college in Connecticut would have been the 4th largest two-year public and 13th largest institution in the nation.

CENTRALIZED COMMUNITY COLLEGE ENROLLMENT MANAGEMENT

While Enrollment Management has taken on a wide variety of definitions, it can be defined in summary as the organizational integration of functions such as academic advising, admissions, financial aid, institutional research, marketing, orientation, and registration into a comprehensive approach designed toward enabling institutional administrators to exert greater influence over the factors that shape enrollment.

Within the universities, the foundation of enrollment management appears to be fairly consistent. Within the system level and community college structures, there is an incomplete and inefficient Enrollment Management foundation. Integration across the system in key enrollment management areas is sparse and operates in silos, often without an overall strategy or goal. A single enrollment management plan spread across a single college with multiple campuses not only breaks down barriers between offices, but also encourages a holistic approach to processing a student from application to enrollment, not just within a single department. Once identified, this structure can bridge conversations and strategies between a community college, all universities, and Charter Oak to leverage programs such as TAP and GAP, and expand on local initiatives such as the “A to B in CT” program.

Recommendations:

1. Integrate the functions of community college Financial Aid, Registrar, Admissions, and Marketing under a single college structure, incorporating a chief enrollment management officer for a single community college to oversee the enrollment management efforts. This recommendation is inclusive of a transition plan before and after any consolidation efforts take place, since there are multiple departments involved.
2. Dissect existing enrollment strategies and procedures from each institution, decipher best practices, and create an enrollment management plan to be implemented across a single community college.
3. Leverage technology, data analytics, and research in making informed decisions related to the development of unified policies, procedures, and strategies. This includes strategies related to financial aid distribution as a means of facilitating and supporting enrollment and retention strategies.
4. Centralize financial aid administrative efforts under a single community college structure, with a single administrative office and twelve branch campuses. This is inclusive of a comprehensive financial aid transition and implementation plan, which must include no fewer than five (5) additional staff members housed in a central shared services model to handle the administrative and routine reporting efforts for a 50,000+ student community college.^{1,2} Campus staffing levels should remain constant in order to provide adequate local level support to students.³ Adequate staffing must be retained to deliver financial aid information and services where students are present for maximum efficiency and efficacy.
5. Convene the financial aid directors of the system office, state universities, and Charter Oak for the purposes of sharing best practices, current issues, training, and development.

¹ Derivation of additional five (5) staff members was determined in consultation with Ivy Tech Community College (based on past experience with a similar multi-college consolidation effort).

² Functions that need to be housed at a system level include, but are not limited to data load and monitoring of daily financial aid record loads into Banner, managing suspense files, managing disbursement, COD processing for origination and disbursement, Pell Grant processing and reconciliation, Direct Loan processing and reconciliation, financial aid census, initial batch packaging, annual system startup for each new award year, required reporting to various state and federal agencies, program eligibility requirements and management with the US Department of Education, compliance and audit management at the state and federal level, communication planning and execution, and verification monitoring,

³ All student-facing functions must be housed at the campus level, including but not limited to FAFSA Workshops, Satisfactory Academic Progress appeals, Professional Judgment Appeals, Cost of Attendance Appeals, repackaging aid after changes to financial need, Consortium Agreement tracking, Entrance and Exit Loan Counseling, default prevention and financial literacy activities, and other student-facing enrollment activities. On-campus staff will continue to serve as resources to campus faculty and staff.

VERIFICATION PLAN

The Central Processing System (CPS) is the automated system that processes all financial aid applications on behalf of Federal Student Aid (a department within the US Department of Education), calculates Expected Family Contribution (EFC), establishes eligibility for Title IV aid, and notifies students and educational institutions of these results. CPS selects financial aid applications for an institution to review prior to issuing an award; institutions may also self-select applications to evaluate. This process entails reviewing tax data and other financial components of the FAFSA for accuracy and compliance in a process known as Verification.

Verification includes requesting specific documentation from students and families, comparing data from the FAFSA against eligible documents defined by regulation, and submitting any necessary corrections back to CPS to affirm eligibility and issue awards. While the community colleges currently share a central database and policy surrounding the requirement of uniform documentation, the data collection and actual review of files remain individual efforts.

As part of the A-133 audit (via the Statewide Single Audit) by the CT Auditors of Public Accounts, a state agency, Verification is subject to an annual compliance review. Findings determined within an audit are distributed to the federal level for review and possible action against the non-compliant institution who fails to meet the standards determined in regulation, et al. Over the past five A-133 audits, the number of system institutions with associated audit findings for Verification are listed below. Repeat audit findings over successive years increase the risk of a federal program review, and may result in an institution having to re-review all Verifications multiple years in arrears to determine further errors and refund any financial liabilities to the US Department of Education.

Year Audited	Institutions with Verification Findings
2015-2016 (FY16)	ECSU
2014-2015 (FY15)	ECSU
2013-2014 (FY14)	ECSU, SCSU, WCSU, HCC, QVCC
2012-2013 (FY13)	ECSU, SCSU, WCSU, HCC, NCC
2011-2012 (FY12)	CCSU, ECSU, WCSU, HCC

For context, in 2015-2016 our community colleges received 71,761 financial aid applications, to which 27,398 were selected for Verification (38.2%). Of those selected, 14,225 (or 51.9%) were completed. This puts the community colleges' collective Bleed Rate (applications not completed) at 48.1%. Incomplete Verifications are one attribute to lost enrollment.

Between requesting and reviewing student information, Verification takes up the most staff time across our schools. Assuring students are in receipt of a school's request for further documentation is also an issue, since this is reliant on students checking their school email. In 2015-2016, the average number of days to perform Verification at the community colleges for selected students ranged between 47.3 days and 96.1 days, with an average of 66.8 days. While there are several factors that influence these figures, the length of time it takes to complete the Verification process to receive a financial aid award is another attribute to lost enrollment.

By consolidating to a single OPE-ID for our community colleges, those students who apply to multiple community colleges and are therefore selected for Verification more than once will only be asked to complete Verification a single time. In 2015-2016, 196 students completed the Verification more than once due to attending multiple community colleges during the year. This equated to an additional 201 duplicate Verifications performed (some students at more than two schools).

From a university perspective, a decreased lag time exists for Verification completion efforts when compared to the community colleges, however still reasonably high. On average, our universities take approximately 21.5 days to complete the Verification process, which is largely inclusive of document collection efforts and student responsiveness. In addition, the repeat audit findings mentioned above generally call for a complete review of an entire award year by the US Department of Education for all students selected for Verification, which could take upwards of three months of additional work to complete.

This strategy is highly recommended by the Financial Aid Processing Team in order to improve processing time, streamline the student financial aid experience, decrease the audit exposure, and maximize enrollment and retention efforts across the system.

Recommendations:

1. To assist in implementation, develop an integration plan toward the 2018-2019 award year cycle, which begins on October 1, 2017.
2. Engage a qualified vendor through any required state processes to assist institutions with the Verification process. This includes a full communication plan to reach students and decrease the time to verify, and by extension increase enrollment. Most vendors package a communication and branding plan to their service, including student outreach and follow-up throughout the process, in order to work simultaneously with institutions and their students. While there is a monetary cost to contracting with a vendor for this function, the opportunity cost for increased enrollments, increased revenues, decreased audit findings/risk, decreased processing/time to verify, decreased time to award, decreased in-office lines, and decreased student and staff frustration far outweigh the monetary cost of the project annually.
3. Once a vendor is in place, redirect staff time previously used for Verification purposes into activities such as community outreach, FAFSA clinics, and other student-facing and enrollment related strategies. In addition, student-facing functions that should be left at the campus level, such as appeal processing for professional judgment and cost of attendance, would be attended to in a more timely manner to benefit students.

Projected Cost: \$308,810 annually (estimated for entire system)

This team has engaged three (3) vendors to assist in projecting cost via transactional charges. For projection purposes, assume a \$15 cost per transaction. Based on 2015-2016 Verification data, this project would have cost the community colleges \$213,360. Since the Verification process is completed once per student, the cost of the project would decrease by any student who was selected at multiple colleges. Assuming a deduction of duplicated Verifications across the colleges, the price would have been reduced by \$4,300, to \$209,060. Assuming the project cost for the community college was \$209,060 with \$4,032 in full-time tuition and fees, the FTE equivalent for 2015-2016 was 52 students (or 4.3 FTE per college) to recapture the cost.

A target of this project should be a 30% Bleed Rate, which would yield an additional 2,954 completed Verifications for community colleges. While not all of these students would enroll, if we assume an additional FTE of a modest 443 is gained (15% of 2,954), that equates to an additional \$1.8 million to the system in tuition and fee revenue. Net of the cost of the project, the system would still be left with approximately \$1.6 million in tuition and fee revenue from community colleges alone.

Adding the universities and Charter Oak, an additional \$99,750 for verifying approximately 6,600 students would be expected in vendor costs. Depending on the residency option and corresponding charges, a very small FTE would need to be recognized in order for this project to pay for itself and begin generate revenue for each institution.

PAYING FOR EDUCATION

In a climate where enrollment has been consistently declining, we are actively pushing students away instead of providing opportunities to assist in obtaining payment or setting up affordable payment plans. Students are dropped all too frequently after actively registering for courses and not coming up with a requisite method of payment in whatever period may be allotted. This exists at both community colleges and universities. In partnership with enrollment management efforts across each of our institution types and as a system, the recommendations below support student enrollment.

Recommendations:

1. Formalize policy across all campuses requiring a mandated drop date prior to census. [*Note: Policy passed by BOR September 2017*]
2. Institute consistent installment plan procedures including plans that are flexible, student-friendly, and affordable.
3. Leverage existing contracts and engage multiple avenues of communication to work with students in obtaining payment. This includes expanded use of CTDLC services, texting, personal email use, and postcards to reach students with active A/R balances.
4. Build uniform procedures around the timing of fee assessment and billing, A/R due dates, stages of collection on accounts not current, and Return to Title IV.

STUDENT COMMUNICATION

A major factor toward improving financial aid processing time is targeted and accurate communication to students. Likewise, students must be responsive toward communication from the college. During team meetings, we compared and contrasted effective and ineffective methods of communication between community colleges and universities in an effort to identify best practices.

The community colleges are limited by Information Technology policy and procedure in attempting to reach students at their preferred mode of contact. While an official means of communication exists in the form of a college email address (as it should), other electronic forms of communication outside of the Office 365 environment are discouraged, yet are necessary. This includes emailing to a personal email address provided to the college via the FAFSA and/or admission application.

Use of college email is tenuous by community college students, which leads to an immediate communication breakdown with the financial aid office from the point of admission to the college and leads to delays in packaging. In addition, the format and modality of our communication with students is severely outdated. With regard to email, community college letter generation in financial aid uses an outdated customized process. The format is very “institutional” and not in line with any visual appeal, lacking such details as color or infographics. The modality is limited to student email, excluding the use of personal email.

For our universities, each controls its own communication efforts and methods as well. This is inclusive of partnering with vendors on the use of texting, mass emailing, and other non-Banner instances as there is no single technological structure to solidify communication efforts.

The timing, frequency, and language within communications are at the discretion of each institution within the system. This has the propensity to send differing messages to students who apply to or attend multiple colleges, making the “student experience” inconsistent. In terms of technology use and adaptability, our system needs to meet students where they are and where they will be, not where they were.

Recommendations:

1. Create a Communication Plan for a single community college across all campuses, inclusive of phone calls, emails to college and preferred addresses, texting, postal mailings, etc. Timing, frequency, and language should be uniform and work in tandem with other Enrollment Management offices. Similar efforts should be continued or established at the university level to promote consistency across the system.
2. Maintain the use of college email as the official mode of communication, but allow colleges to utilize a student’s personal email address or other means of electronic contact. Communication by way of a personal email address is not intended to share personally identifying information with students, but rather to utilize an additional method of contact that informs students they are needed by the financial aid office to fulfill an award-related requirement. A timeline and list of features available within the new Ellucian suite of products must be made available to facilitate planning. If the timeline is too far into the future, outside sources for mass emailing or texting must be engaged to bridge the time gap.
3. Modernize the aesthetics of student contact in both email and paper format. Utilize student surveys and focus groups to assist in determining the most attractive, yet informational communication efforts related to email and paper letters.
4. Create internal tracking features to all modes of contact, where available, in order to identify success rates of each mode of contact with students. Based on data collected, modifications to processes will be identified in order to refine as needed.
5. Continue partnership between CTDLC and the community colleges for call center services. Additionally provide the opportunity for expansion and participation from the universities and Charter Oak.

CSCU FINANCIAL LITERACY

Helping students build successful futures goes beyond the traditional classroom setting. Each institution must provide a means of financial education and understanding as we move students toward a continuation of their

education or into the workforce. By providing the education to make sound financial decisions in today's world, college affordability, costs, and debt management become less intimidating to students and their families.

Each CSCU institution independently addresses Financial Literacy to varying degrees, from dedicated staff positions to simple website listings; student participation and engagement varies widely. This leaves students with disparate experiences depending on the institution attended. While Financial Literacy is not a Financial Aid responsibility alone, it must be addressed, uniformly, for the benefit of our students.

The benefits of successful Financial Literacy programs are limitless. By providing students and families the opportunity to be engaged, a connection from personal finance to academic goals and on-time certificate/degree completion further assists in processing students in their journey through the enrollment funnel. Such engagement includes distribution of materials through various multimedia channels in multiple languages.

Recommendations:

1. Prioritize Financial Literacy efforts across the system, building from best practices of the Financial Literacy and Advising Office at SCSU. Coordinate efforts of on-campus staff to work with students directly by providing personal finance workshops on topics such as money management, paying for college, personal budgeting, loan repayment, etc. This must be done in conjunction with available technology.
2. Engage a vendor to provide uniform Financial Literacy tools to be used consistently across all CSCU institutions. Engage system and institution foundations, or local business partners, to encourage sponsorship of such a program. Conversely, leverage the purchasing power of CSCU to reach the same end, if needed.

Projected Cost: \$75,000, annually (estimated for entire system)

This annual cost is inclusive of program access to prospective, current, and graduated students, as well as faculty and staff. Extending program access to CSCU families provides financial education efforts to those who may need it most, including first generation students/families, low-income families, and those with financial challenges. In addition, a Financial Literacy program provides direct strategies to students that help reduce student loan borrowing, relevant curriculum that promotes proficiency in money management, career search and development tools, scholarship search, ready-made material (paper and electronic) that all areas of an institution could utilize, and various videos, articles, and calculators relevant to students of all ages. Financial Literacy is also inclusive of various default prevention tools designed to assist loan borrowers into making informed choices regarding personal finances, which also assists in managing each institution's Cohort Default Rate.

COMMON POLICY AND PROCEDURE MANUAL

A Policy and Procedure Manual (PPM) addresses all elements and areas necessary to achieve compliance with Title IV laws and regulations. Financial aid policies and procedures describe an institution's administration of its student aid programs. Policies are broad statements that set forth an institution's goals with regard to an issue. Procedures describe the steps the institution must take to implement a policy.

Each institution currently keeps an independent PPM, which illustrates those policies and procedures that are institutional requirements to comply with federal regulations from participation in the Title IV program, and other sources of funding from state and local levels. The contents of a PPM extend beyond the Financial Aid Office and include areas such as Admissions, Registration, Bursar, and Academics. Disparate policies and procedures related to the same issue are not necessary, creating inefficient practices and redundancies.

Recommendations:

1. Create a single PPM, implemented across a single community college. This is inclusive of (but not limited to) such core areas as Cost of Attendance development, Verification and FAFSA Corrections, Needs Analysis, Satisfactory Academic Progress, Packaging, Disbursement, Return to Title IV, Professional Judgment, and Appeals in order to uniformly identify policies and procedures related to financial aid processing.
2. Convene the universities to assess the feasibility of a single PPM. At minimum, align core policies and procedures to draw alignment in operations.
3. Survey the current student population and introduce student focus groups to determine the most appropriate student-facing language that is reflective of a PPM.

OTHER CONSIDERATIONS

With any centralization of administrative financial aid efforts, input from college staff should be taken into consideration to develop any transition plan as not to disrupt the normal course of business for any institution or any student. In addition to this, the following represents a list of other considerations related to consolidating into a single community college:

- Consideration for development and use of a team to transition and implement the financial aid-related efforts of a community college consolidation. Additional consideration to system level staffing must be a priority, based on the level of requisite work and coordination with the US Department of Education and individual colleges, the technical creation and implementation of a single college, and the overall transition of the project from start to finish.
- Consideration for timeline for move to a single college, consistent with any recommendations from NEASC, as well as assistance from the US Department of Education for OPE-ID transition (one year) and program closeout (two years).
- Effect of consolidation efforts on Information Technology to merge all student academic history into a single college, including the treatment of academic history for Satisfactory Academic Progress (SAP) purposes (in conjunction with NEASC and Federal Student Aid).
- Impact on ability of Title III and Title V institutions designated eligible for the waiver of the non-federal share matching requirements (FY16: CCC, ECSU, HCC, NVCC). Title III institutions, among other details, are required to have substantial enrollment of needy students (at least (50% of degree-seeking students receiving Title IV aid, or a substantial percentage of students receiving Pell Grants in a year over year comparison). Title V institutions, among other details, have enrollment of undergraduate full-

time equivalent students that is at least 25% Hispanic (and as such may be subject to receive additional federal grant funding).

- Impact on colleges participating in Experimental Sites Initiatives for 2nd Chance Pell and Dual Enrollment.
- Considerations for local foundation funding as it relates to student scholarships.

PROPOSED NEW COSTS AND PROJECTED REVENUE:

1. Centralized Community College Enrollment Management
 - a. Envisions no fewer than 5 staff housed at the system office to handle administrative and routine reporting for 50,000 students. Proposed as additions but could be reassignments if necessary. Estimated cost \$500,000
2. Verification Plan
 - a. Estimated cost of \$308,810 projected to contract with third party vendor for 17 campuses.
 - b. Anticipated revenue of \$2,000,000 based on conservative estimate of increased enrollment due to improved verification rates and timing.
3. Financial Literacy
 - a. Cost of \$75,000 annually for third party vendor to provide program.

Total cost: \$883,810

Projected revenue: \$2,000,000

The verification contract should be issued immediately to begin capturing enrollment for fall 2018. The financial literacy contract can begin immediately as well to support students and their families. The addition or relocation of staff would need further consideration, resources and timetable.