



Financial Aid Operations Review

California Polytechnic University, Pomona

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April 29-30, 2010

Project Summary

California Polytechnic University, Pomona (CalPoly) conducts external reviews of all student services offices. As part of their cycle of reviews, AACRAO Consulting reviewed their role as an aid office and operations to identify areas where current practices can be strengthened. Special attention was paid to the following four areas:

- 1.Scholarship advertisement and awarding processes
- 2.Financial aid packaging and awarding policies per discrete student populations
- 3.Satisfactory academic progress assessment
- 4.Staffing roles and distribution of office responsibilities

Project Summary

5. The review of practices at CalPoly was not a compliance audit. These audits are normally performed by external auditors and, as a CSU campus, the central administration of the university system.
 - CalPoly’s external financial aid was reviewed and revealed no findings of non-compliance were noted in them
 - The campus has not had an in-depth review of financial aid compliance by the CSU in more than three years. Given the length of time since this review, it was not relevant to review the last such review

6. As discussions of function and performance evolve, one compliance issue arose. It is noted in this report.

Pre-Visit Activities

Prior to the campus visit, two conference calls were conducted and a variety of materials pertaining to financial aid were reviewed:

1. Conference calls

–Diana Minor on February 18

- Reviewed scope of review
- Determined key areas for review
- Reviewed list of pre-visit materials
- Established site visit dates and preliminary schedule of interview

–Debbie Schroeder-Lithicum, Director of Foundation Relations on April 7

- Ms. Schroeder-Lithicum was not available during the site visit

Pre-visit Activities

2. Pre-visit review of materials

- CalPoly web sites
- Financial aid organizational chart
- Operational, personnel, award fund and scholarship budgets
- Packaging summary reports, 2009 and 2010
- General scholarship application
- Financial aid informational/promotional materials
- Packaging Guidelines document
- Satisfactory Academic Progress Process Guidelines document and web site
- Forms used to document requests for review and additional information required to adjust or review eligibility for aid

Pre-visit Activities

2. Pre-visit review of materials (continued)

- August 2008 National Survey of Student Engagement Reports
 - Benchmark Comparisons
 - Mean Comparisons
- Spring 2008 Phantom Shopper CalPoly survey
- 2007-2008 Annual Report
- FISOP/FISAP reports
 - Award Year 2009
 - Award Year 2008
- KPMG Financial Statements
 - June 30, 2008
 - June 30, 2007

On-Site Activities

Group and individual interviews were conducted with CalPoly personnel on April 29-30 to gain further insights into the performance of the financial aid operations, as well as details of operations required to assess performance.

The following personnel were interviewed individually:

1. Diana Minor

4. Dr. Douglas Freer

2. Maryville Tuzon

5. Suzie Diaz

3. Kathleen Street

Onsite Activities

The following groups were interviewed during the campus visit:

1. Enrollment Cluster directors
2. Technology Team
3. Financial Aid Customer Service Team
4. Scholarship Team
5. Loan Team
6. Student Support and Equity
 - Dr. Monique Allard
 - Lea Manske
7. Student Affairs AVP group
8. Student Accounting Services

Post-visit Activities

1. As is typical in many consultation visits, certain information or topics arose during the visit that required additional materials to be reviewed:
 - CSU Financial Aid Staffing Survey 2006
 - Honors Showcase of Excellence Event Program 2010
 - Honors College web site
2. To ascertain how CalPoly may be able to attract more and better-qualified top scholars, an additional phone conference was held with Dr. Suketu Bhavsar and Kimberly Greene on May 12, 2010

The Role of the Financial Aid Office

The unit's performance internally to assure compliance with federal, state and institutional regulations and policies is one important aspect of performance. The unit should operate efficiently and effectively to perform this critical role. Meeting the expectations of compliance requires a great deal of technical knowledge, ongoing training and development, and a culture of compliance that balances student needs with attention to detail and adherence to complex, ever-changing laws.

Equally important is the unit's role in meeting the needs of the CalPoly campus – students, faculty, staff, parents and families of students – and its role in the community the university serves. In this capacity, it serves to advocate for student access, facilitate student success and raise the level of financial literacy among the population within the CalPoly service region.

Administrative Capability: Observations

1. Administrative capability to operate financial aid programs is fundamental to the success of any university. This requires knowledge of financial regulations and management skill to execute them effectively. Failure in this area can jeopardize the university's ability to participate in federal and state programs, which would devastate these revenue sources and student enrollment.
2. CalPoly has strong financial aid leadership
 - Diana Minor is a highly capable director and has a strong knowledge of financial aid
 - The management of the financial aid operation is sound
 - AVP Street also has a strong financial aid background, a rare bonus for a university

Administrative Capability: Recommendations

1. As soon as budgets will allow, resume professional development at NASFAA for Diana Minor
 - NASFAA is an important network of peer directors
 - Best practices in management and operations are showcased at this conference and can provide Diana additional tools to effectively manage CalPoly's financial aid programs and services
2. As soon as budgets will allow, resume professional development for Diana, Maryville and others at CASFAA
 - This conference provides critical training and knowledge of new regulations and technologies

Scholarship Programs: Observations

1. CalPoly awards numerous scholarships to its students from monies raised from alumni and donors, federal research programs and its operating funds
2. A 2006 study of high-achieving students¹ reveals their motivations for selecting an institution (top five aided answers):
 - Academic rigorous environment
 - Strong reputation in the major (as distinct from the institution's reputation)
 - Clubs and organizations of interest
 - Perceived prestige of the institution
 - Ability to do research with faculty

¹Lipman-Hearne, 2006. *High Achieving Seniors and the College Decision*, Chicago, IL.

Scholarship Programs: Observations

3. Many of the university's scholarships are awarded by academic departments
 - Until 2008, there was no coordination of these scholarships with other financial aid awards, which could easily create overaward situations where CalPoly would be out of compliance with federal and state regulations on need-based aid
 - In 2008, the scholarships were reported to the financial aid office for awarding, which prevents overawards of other need-based aid
 - The current time line for most departmental awards does not allow CalPoly to maximize its own resources by meet need/merit gaps
 - The current time line for awards may be more helpful for retention of students than recruitment of them

Scholarship Programs: Observations

4. The Honors College awards the institution's most prestigious and public competitive scholarships
 - The current award structure is tiered into three levels
 - All three levels provide recipients full fees
 - The two highest levels provide some housing assistance but do not fully cover housing, placing CalPoly at a slight disadvantage against its CSU competitors that provide full housing assistance (i.e., Long Beach Presidential Scholarships)
 - The highest level provides some assistance toward book or supply expenses in the form of a stipend
 - Students are selected from the CalPoly applicant pool
 - The list of applicants is received in December from the Admissions Office
 - There is no targeted marketing of top scholarships to discrete groups of prospective students or search lists

Scholarship Programs: Observations

5. Yield on Honors Scholarships is weaker in the top two levels but strong in the third tier
 - This likely indicates that the institution is not competitive in its financial offer and/or its level of engagement of students with academic offerings
6. Like academic program scholarships, there is no intentional integration of the Honors awards with other aid for the student to meet need or merit gaps
7. The program administrators (Bhavsar and Greene) are highly committed to providing a strong recruitment program for Honors scholars and actively work to refine their work each year
 - They are commended for the awareness and dedication to the program's goals

Scholarship Programs: Observations

8. The Showcase of Excellence program is a strong effort to bring prospective students and their families to CalPoly
 - Sample classes provide some interaction with faculty and student scholar ambassadors
 - There is no intentional effort to showcase student research as a highlight of the CalPoly Honors program, although honors students conduct research with faculty on a regular basis
 - The timing of the event appears to be competitive with other scholarship programs nationally
 - The recipients are notified well in advance of the May 1 national candidate's reply deadline (NACAC)
 - Students are required to respond on April 28, which is quite close to the national candidate's reply deadline

Scholarship Programs: Observations

9. The scholarship application has been made available online
 - The application attempts to provide one method for all scholarships
 - Some parts of this are very successful, such as the checklist of possible characteristics to match students with available funds
 - This also generates a very high volume of applications and there are not enough staff members and/or student workers to process these in a timely manner
 - All applicants are required to submit an essay, which may limit the number of applications received
 - Some paper applications are still received, although all CalPoly applicants must apply to the CSU online
 - Access to a computer should no longer be considered a barrier to access or financial aid, given that they must use a computer to apply to any CSU campus

Scholarship Programs: Observations

10. The data from the online application rolls into an electronic database
 - A growing number of departments are now using this database to select possible recipients for their awards
 - This is a strong practice and the Financial Aid Office is commended for its innovation in leveraging technology to streamline the process

11. The scholarship deadline is advertised as February 15 each year
 - This year, it was extended to March 29, as the process was behind schedule
 - Deadline extensions can give the impression that the institution lacks sufficient applicants to make scholarship awards

Scholarship Programs: Recommendations

1. CalPoly should consider increasing the amount of its Honors Scholarships to the same level as its competing CSU campuses:
 - Continue with full fees for all levels
 - Provide the full cost of room and board at double occupancy for all recipients, given that on-campus housing is required for freshmen, in the top two tiers
 - Consider a partial housing award in the bottom tier if future yield rates dip for this group
 - Provide a book stipend for both the top and second tiers
 - Provide parking of one vehicle per year on campus (location of lot is not a consideration)
 - Continue to provide priority registration for all three tiers of recipients

Scholarship Programs: Recommendations

2. To become more competitive in the selection of students, CalPoly must increase the number of qualified applicants it recruits:
 - Utilize the College Board’s Student Search Service (SSS) to identify students in the CalPoly service region and select areas across the state that meet self-reported GPA levels and PSAT levels that would indicate likely attainment of SAT I scores required to compete for Honors Scholarships
 - Market CalPoly early to high school juniors who meet search criteria:
 - Create a communication plan that demonstrates the benefits CalPoly can offer top students, aligned with the Lipman-Hearne report of college choice factors among high achieving high school students
 - The CalPoly web site will be the focused point of contact for students interested in more information – assure that its quality and content meet the high standards of these students and their parents

Scholarship Programs: Recommendations

2. To become more competitive in the selection of students, CalPoly must increase the number of qualified applicants it recruits (continued):
 - Create a marketing piece and corresponding Hobson’s email blast to students from the College Board search list regarding the Honors program
 - Bring high school guidance counselors onto campus for an informational program about Honors and student research
 - If the Outreach office already conducts an on-campus program for counselors, include a section of that program or a feature of it for the Honors College and the scholarships
 - Utilize high school posters to promote the Honors program and scholarships at CalPoly
 - Assure that these are posted well in advance of October 1 each fall

Scholarship Programs: Recommendations

3. Over time, move toward a process and time line for awarding scholarships that utilizes all possible information on financial need and merit to make the best use of university, federal and state resources
 - This requires that all scholarship decisions be made in time for initial packaging of financial aid
 - Moving the process forward on the calendar of the university will likely take several years of concentrated efforts by academic affairs, academic departments and the financial aid office
 - A leveraging analysis should be used to create the best possible award structures²

²There are several providers of financial aid leveraging services, including AACRAO Consulting, and more information is available at your request

Scholarship Programs: Recommendations

4. Develop policies on the interaction of aid sources that clearly outline to students, CalPoly departments and internal staff how outside scholarships, institutional aid, federal and state aid interact, when students receive more than one type of gift aid
 - These policies are especially important when new sources of aid enter the packaging mix
 - Students (and many academic departments) will always want to “stack” aid, which can be detrimental to the strategic use of institutional aid funds
 - Federal, state and outside grants and scholarships should be maximized before institutional aid is used

5. Determine the staffing (professional and student) required to adhere to stated deadlines for scholarship awards

Policy and Procedures: Observations

1. Two existing documents could be construed as serving a policy and procedures manual function:
 - Packaging Guidelines
 - SAP Process Guidelines (printed and online)
2. The Student Aid Handbook is also used as a reference when questions arise about federal aid
 - This does not cover state programs or institutional aid; however, it is an excellent resource guide and the office is commended for its use as a reference tool

Policy and Procedures: Observations

3. The SAP Process Guidelines are outstanding and could serve as a model policy and procedures document for CalPoly
4. The packaging guidelines document is incomplete to be used as a comprehensive policy and procedures guidebook for the office
 - Lacks procedures documentation that is needed by staff
 - Not all areas of financial aid operations are covered in the existing document
5. The nature of financial aid is that rapid change occurs regarding the use and procedures of various aid types
 - Confusion can easily occur when these changes take place
 - A policy and procedures document can help keep everyone in sync

Policy and Procedures: Recommendations

1. Policy and procedures should be contained in a comprehensive manual (online or printed) that defines how financial aid is awarded at CalPoly
2. Policies demonstrate how CalPoly treats each award fund, determines recipients of awards and how it complies with federal and state regulations, as well as institutional policies
3. Utilize two model documents to assemble/compile a policy and procedures manual
 - NASFAA templates
 - These will assure that coverage is complete
 - SAP Policy Guidelines (CalPoly)

Policy and Procedures: Recommendations

4. Procedures should provide a roadmap for each part of the financial aid operation, including:
 - How PeopleSoft CMS is used in each process
 - Forms or other materials required and how those are processed from the point a student/faculty member/staff member initiates the process until the data/information is processed and the resulting changes/communications
 - Delineation of responsibility for each step in a process by position
 - This document should serve as part of new employee training and current employee cross-training
 - In the event of an unexpected absence, the policy and procedures manual should serve as job documentation for another employee to complete critical financial aid functions

Satisfactory Academic Progress Policy: Observations

1. CalPoly has in place a policy to assure that students receiving financial aid are making progress toward the degree, relative to the degree program to which they have been admitted
2. The GPA requirement is the same for financial aid (2.0 GPA after 36 quarter hours) as the policy for satisfactory progress as stated on page 85 of the 2009-2011 *Catalog*
 - This meets the federal requirement that the financial aid policy be at least as stringent as the university policy
 - The use of identical criteria for financial aid and other academic progress standards is considered a best practice in SEM, as it creates greater clarity around the requirements to maintain enrollment

Satisfactory Academic Progress Policy: Observations

3. The policy uses a steep slope up to a 2.0 GPA within a year of full-time study (once 36 quarter hours have been earned)
 - Students who earn less than 36 hours must have a GPA of 1.80 or higher
 - This is steeper than the CSU system requirements for good standing
 - Disqualification levels in the CalPoly *Catalog* are consistent with the CSU levels now in place through EO 1037
 - These levels reflect a more gradual slope toward graduation in good standing
 - This requirement might negatively impact graduation rates, given that some students may be able to recover from a poor start over time

Satisfactory Academic Progress Policy: Observations

4. The policy establishes a unit caps that are appropriate to the respective degree program
 - 280 quarter units are allowed for a non-architecture undergraduate program
 - This would be 150% of a degree program that required 187 units for graduation (roughly 124 semester units)
 - This portion of the policy is consistent with federal regulations for time to degree progress standards

5. There is little direct information on how many credits a student needs to earn a degree
 - Like many campuses, CalPoly's information is spread across the *Catalog*

Satisfactory Academic Progress Policy: Observations

6. There is a very well-done “Q&A” section of the policy guideline document for staff
 - The corresponding web site is likely more helpful than the policy document itself
 - The web site guides students through the policy implications, using the “Bronco” Direct” student portal
 - The interaction with degree progress/degree audit online is essential to a student’s knowledge of where she/he stands

Satisfactory Academic Progress: Recommendations

1. Conduct a study of student progress that is focused on those students who do not meet the 2.0 GPA requirement at 36 credits³
 - How many are between the CSU disqualification mark of 1.70 and the 2.00 requirement at CalPoly?
 - How many students who receive an Early Alert at 2.2 successfully graduate?
 - There are limitations to any study of this kind, as you cannot predict the results of students being allowed to continue at a lower level of performance
 - Some students today may disengage academically when they perceive they are too far from the 2.00 mark to successfully stay at the university

³AACRAO Consulting can provide analysis services, if needed

Satisfactory Academic Progress: Recommendations

2. Provide clear information for students on how many total credits are required to each each degree, such that the unit cap requirements can be seen in the context of the minimum credits required for each area:
 - Undergraduate non-Architecture
 - Undergraduate Architecture
 - Graduate Architecture
 - Landscape Architecture
 - Credential and other Graduate

Staffing: Observations

1. The Financial Aid Office staff was interviewed in small groups by common functions
 - It was clear from these interviews that the vast majority of staff are committed to student success, effective and efficient processes in operations and to strong student services
 - Several of the staff were promoted internally, following entry-level positions in the service team
 - Like many university offices, the financial aid operation utilizes student assistants (aka peer advisors) to carry out the work of the office
 - The scholarship team has been especially challenged in processing the increasing number of applications it receives
 - Evidence of this is the later processing of scholarship applications as volume increased this year

Staffing: Observations

	2006 student population	2006 FAFSA's received	2006 aided population	2006 ratio of staff:population	2006 ratio of staff:FAFSA	2006 ratio of staff:aided
CalPoly	20,000	22,169	13,000	1053:1	1167:1	684:1
CSU Mean	17,376	21,082	9,977	898:1	1090:1	516:1
CSU Median	15,966	19,713	10,600	810:1	973:1	474:1

Source: 2006 CSU Staffing Survey, calculations from data were made to examine median levels in addition to the means provided

Staffing: Observations

2. A 2006 survey of CSU financial aid offices compares the number of staff with the volume of applications processed
 - CalPoly is well above the median ratios for staff to student populations and staff to applications (FAFSA) received and aided students
 - All three metrics are relevant, as the Financial Aid Office serves those who receive aid through the FAFSA (the most common means of applying for aid), scholarship applicants and those who receive outside scholarships but do not file a FAFSA
 - Although four years have passed since the survey, the budget situation in the CSU likely meant that few if any financial aid offices were able to raise their staff levels in the meantime
 - Increases in FAFSA filers since 2006 have been dramatic and this would raise the ratios of applications and aided students to staff

Staffing: Observations

2. A 2006 survey of CSU financial aid offices compares the number of staff with the volume of applications processed (continued)
 - CalPoly's size in headcount, applications and aided students is above the mean and median for the CSU
 - CalPoly's staff size is at the mean for the CSU (19) and just slightly above the median of 17
 - The relationship between volume of students and applications to staff size means that CalPoly is servicing a higher volume of students with fewer staff resources than its sister institutions in the CSU

3. In order for CalPoly to achieve the mean levels in staff ratios, it would need to increase its staffing to between 21-25 from 19
 - The 25 staff ratio is related to aided students, perhaps the most important of all three metrics

Staffing: Recommendations

1. CalPoly is thinly staffed to meet the needs of its students and is operating an efficient organization, overall
 - The Financial Aid Office should be spared from budget cuts if those arise in the future, given it is already more thinly staffed than other CSU campuses
2. Over time, increase staff by between 2-6 FTE
 - The most pressing need is in scholarship assistance, as these applications have been taken on from the departments and are not being processed quickly enough for CalPoly to create a competitive edge in this area
 - General processing (counselors) and the service team would be the two areas of need, after the scholarship team

Staff Training: Observations

1. The leadership of the Financial Aid Office has, over time, created a program of guest speakers from other offices at the university
 - This provides critical cross-training for staff and allows them to understand better how their work integrates with other processes and offices
 - Providing holistic service to students requires that staff are comfortable referring students to and from the Financial Aid Office; cross-training promotes these relationships
 - The Financial Aid Office is commended for its cross-training program
2. During the past year, several staff members have attended training provided through the CSU
 - Beginner tax workshops for less experienced staff
 - Advanced 1040 workshops for senior staff

Staff Training: Observations

3. During busy times, staff meetings are not held unless the staff bring an issue to the leadership of the office
 - Lack of regular staff meetings can lead to issues that fester in the office environment or misinformation that lingers longer than necessary
4. CASFAA provides additional training for staff
 - As previously mentioned, budget cuts have precluded staff from attending this conference and, therefore, the training it provides

Staff Training: Recommendations

1. Continue the cross-training program and assure that as many as possible are able to attend it from all levels of the office
2. Consider setting aside a time for staff training during the week
 - This may mean that office hours are shortened on a low-traffic day (i.e., Friday afternoon) to allow for dedicated training times
3. Do not allow training times to become processing “catch-up” times in the office
 - Conduct regular staff meetings, even at busy times of the year
 - If shortened office hours are employed, assure that some of this time is dedicated to training each week

Financial Aid Packaging

1. To determine the effectiveness of financial aid offers among discrete groups of students, an analysis of their responses to enrollment offers is required
 - This analysis is outside the scope of this review
 - Two possible views of financial aid efficacy may be desirable
 - Yield of admitted to enrolled students
 - Return of students from one year to the next
2. The scope of this review assessed the processes by which financial aid is awarded and the timeliness of awards, generally

Financial Aid Packaging: Observations

1. Initial financial aid awards are dependent each year upon the release of regulatory information from the federal and state governments
 - From these releases, the major software companies (i.e., PeopleSoft, SunGard, Datatel) configure and “patch” software to assure that it accurately processes awards, especially Pell grants
 - The CSU has an additional step in this process, as the Common Management System (CMS) configures PeopleSoft to meet CSU requirements
 - The campuses can then each configure and test the financial aid release to assure that it will package aid according to its policies, funds and goals

Financial Aid Packaging: Observations

2. CalPoly releases financial aid awards in a timely manner
 - This year, initial awards to students were made in early April, consistent with other CSU campuses

3. There are several complex steps used to package financial aid each time new ISIR records are ready for this step
 - There are 13 steps in the current process that take about 1.5 days to complete
 - To date, there has been no review of the process to determine if some steps could be “batched” or sequenced to run overnight
 - There were some concerns that the process could “bomb” and therefore the subsequent steps would not run, as planned

Financial Aid Packaging: Recommendations

1. Conduct a financial aid analysis⁴ that assesses the impact on and association with enrollment
 - Yield of admitted students
 - With institutional aid and without
 - Focus on gift aid
 - Focus on unmet need
 - Return of students
 - Financial support is known to be one area of significant impact on student retention and one of the few that the institution has the power to change
2. Review the job stream of financial aid packaging and batch sequence as many of the 13 jobs as possible

⁴There are several providers of financial aid analysis services, including AACRAO Consulting, and more information is available at your request

Work-Study Programs: Observations

1. According to the two most recent FISOP reports, CalPoly has been moving Federal College Work-Study Program (FCWSP) funds to SEOG and to other program years
 - This is completely legitimate and is not a compliance issue
 - This does signal that the campus may not be able to utilize its existing funds within a program year
2. Changes to work-study practices on campus eliminated a job fair at the beginning of the fall term
 - Job fairs create an event for new students to realize the possibilities available to them in campus jobs; it heightens awareness
 - Without a job fair, employers' only means to find student workers is to open jobs on line (posting) and fill the position from those who apply

Work-Study Programs: Observations

3. Packaging routines look for prior work-study allocations and new eligibility for work-study only
 - This eliminates any student who becomes eligible or desires work after initial enrollment
 - The FAFSA is used to assess the desire of students to work on campus
 - This is a question asked of students as they complete the form but prospective students may not understand fully the benefits of working on campus

4. Student employment has been associated with higher retention rates through national studies
 - It creates another financial resources
 - It connects students to additional personnel at the university and strengthens the bond between student and institution

Work-Study Programs: Observations

5. During recent years of budget cuts, departments that held work-study job funds cut them, eliminating opportunities for student employment
 - This included campus-based and Federal matching funds
 - This is not surprising and has been seen on other campuses during budget cuts, as the alternatives to cutting student jobs are faculty positions, such as lecturers, faculty travel and/or staff lines
 - Departmental budgets at most institutions are already thin and there is usually little room for shallow cuts, much less the deep cuts the CSU has implemented in recent years

6. The combination of practices (job fair and packaging policies) and the departmental cuts have likely entered the university into a downward spiral of few students eligible for campus employment

Work-Study Programs: Recommendations

1. Centralize the pool of work-study positions under the Financial Aid Office budget
 - Allocate positions to each department, based upon past use
 - Create a system by which departments can request additional assistance, as many may have gutted their work-study positions during budget cuts
 - Departments maintain hiring approval and position of positions, according to the annual allotment
 - Departmental supervisors complete time sheets and are responsible for supervision of all student work in their areas
 - Centralization of work-study positions prevents them from cuts during times of financial stress

Work-Study Programs: Recommendations

2. Reinstitute a job fair on campus at the start of each fall term
 - Promote the fair to both new and continuing students
 - Partner with career services personnel to develop job search skills as an added learning outcome for financial aid recipients

3. Review packaging policies to expand the number of students who are awarded work-study funds
 - Do not rely solely on ISIR data as a student's indication of interest in working on campus
 - Assure that students who become eligible for FCWSP funds after initial enrollment at CalPoly are packed for them when eligibility arises

Verification: Observations

1. CalPoly is required to verify the information submitted by applicants who use the FAFSA, in order to comply with Federal regulations
 - At least 30% are required to be verified of those selected by the Federal Processor
 - Others selected by the campus do not count toward this percentage requirement
 - If the campus selects just the 30% required, it must declare its methodology for selecting cases for verification
 - There are standard practices available from the Federal Department of Education and NASFAA
 - The intent of selection is to identify those cases most likely to be erroneous, based upon common errors found in FAFSA filing, such as a mismatch between family size and dependents on the tax return

Verification: Observations

2. CalPoly verified 40% of its financial aid applicants in 2009-2010 (to date), based upon internal volume reports
3. Going beyond the 30% requirement is not a negative action, as long as staffing levels allow for the review of information to be quickly performed
 - The current turn-around time on completed files at the time of the visit (peak period) was six weeks, which is longer than desirable
4. The institution is required to review all documents it receives that validate FAFSA data
 - This includes tax returns that were not requested
 - The campus is not currently reviewing unsolicited tax returns when they are received, which places the campus out of compliance

Verification: Observations

5. The campus budgets 30% of funds for files that are verified and 70% for those that are not verified
 - In theory, this would accommodate the ratio of files in each group and allow for packaging of funds early to the non-verified group with funds remaining to package the verified group with the same availability of resources
 - Since 40% of files are verified, it is likely that fewer resources are left for these students, as the funds that were spent early went to those not in the verification pool

Verification: Recommendations

1. Employ a formula to determine which of the ISIR records flagged by the Federal Processor CalPoly will select for verification
 - Stop when 30% of applicants have been verified
 - Additional cases may be selected for verification if they appear to have conflicting data but the campus must be prudent in its selection and not have a blanket policy of selecting a large number of cases that it cannot process in a timely manner
 - This will rebalance the amount of available aid for both verified and non-verified pools of applicants
2. Assure that all records received that contain data which is part of the verification process are placed into the review process
 - This will involve training for the Service Team, as well as the counselors

Student Loan Programs: Observations

1. Like many campuses across the country, CalPoly is in the middle of a mandated switch from the Federal Family Educational Loan Program (FFELP) to the Federal Direct Loan Program (DL)
 - This switch adds an extra burden to the staffing in the area, as all new master promissory notes will be required for fall 2010 continuing students
2. Entrance counseling records are downloaded from the USA Funds site and manually entered into PeopleSoft
 - This is time-consuming and does not leverage technology to update student records
 - Previously, the campus had lending representatives present to offer loan counseling sessions, so the move to online loan counseling was a positive step in the right direction

Student Loan Programs: Observations

3. The DL process is not more complex than FFELP but different
 - Reconciliation routines have not yet been established with the Student Accounts offices
 - Under DL, all funds must be reconciled monthly, which is the practice used today for FFELP at CalPoly
 - This will make the transition to DL easier in this regard

4. Federal Perkins loans are generated by the Student Accounts office using paper promissory notes
 - This process is available online
 - Online entrance counseling and master promissory note completion allows students to finalize their loans outside of campus office hours and is not reliant on staff to generate paper forms

Student Loan Programs: Observations

5. The default rate for Federal Perkins Loans has moved up to about 8% in the most recent FISAP report
 - This is a national trend and is likely tied to economic difficulties
6. The Federal Department of Education allows Perkins loans to be assigned to them, once the campus has done due diligence to collect the funds, first
 - Assignment of bad loans to the DOE can reduce the campus' default rate
 - CalPoly has not assigned loans since about 2003
7. The current due diligence process has some very good aspects to it and there has been strong effort to collect soon after students leave CalPoly

Student Loan Programs: Recommendations

1. Continue the good progress already made to convert to the DL program
 - Assure that Common Origination and Disbursement training is completed as soon as possible
2. Anticipate that there will be many current students who do not complete new master promissory notes for the DL program
 - Develop a proactive campaign in July and August 2010 to communicate by postcard/letter, email and phone to those who do not yet have MPN's on file on July 1
3. Develop a process to load entrance counseling data directly to PeopleSoft and eliminate manual entry of counseling records

Student Loan Programs: Recommendations

4. Develop a collections/due diligence process for Perkins Loans that extends beyond the initial attempts to contact students
 - Consider a collection notice that precedes assignment to a collection agency
5. Each year, evaluate the loans that have not been collected by the collections agency and assign some portion of that portfolio to the Federal Department of Education
6. Review the process for reconciliation of loan accounts in FFELP and map the new process for DL funds with the Student Accounts Office
 - Assure that loans booked with the DL Service Center match PeopleSoft records and also the bank account in which they are held

Document Imaging: Observations

1. CalPoly currently images student documents using the Hershey imaging system
 - This is a common system used in the CSU as a partner to PeopleSoft CMS
2. The Financial Aid Office does not use this system but a simpler document storage system
 - The rationale for this has been document security
 - Hershey is as secure as any other system and there should be no concerns about documents in Hershey, given standard security protocols followed for all confidential student information, such as academic transcripts

Document Imaging: Observations

3. Documents are imaged at the end of the process
 - In this process, the imaging becomes an electronic filing cabinet that stores records digitally and therefore reduces filing space
 - Documents are shredded at the end of the imaging process

Document Imaging: Recommendations

1. CalPoly should re-engineer the document receipt process
 - The first step should be the posting of any document received to the student's checklist in PeopleSoft
 - This would include all documents, requested or not
 - The next step would be the imaging of records
 - Note: it is also possible to switch the first two steps and program Hershey to populate the student's checklist
 - If these two steps are switched, the staffing of imaging needs to be robust, as the posting of the document in PeopleSoft cuts down on calls regarding the receipt of materials
 - Once documents are posted and imaged, review is done through dual monitors at each workstation
 - A report can be run to determine those students whose checklist are complete or those for whom unsolicited documents were received

Document Imaging: Recommendations

2. Convert to Hershey's Singularity product as soon as possible
 - Do not maintain two imaging systems at the university
3. Explore further how document imaging can be used to streamline workflow in verification
 - Optical character recognition (OCR) templates can be developed to read tax returns and populate comparative data screens in PeopleSoft
 - PeopleSoft could then be used to determine if tolerance, verification or recalculation is required
4. Establish document folders based upon item
 - This will help the institution comply with document retention and destruction mandates from the Chancellor's Office of the CSU and other Federal and state guidelines and/or requirements

Document Processing: Observations

1. Students are asked to submit complete packets only and incomplete packets are returned to them until all required materials are ready for submission
 - Students who mail in materials are not held to this same standard
 - The rationale for this practice includes the desire to not have “partial records” for students and to help those who come in to drop off records more complete information about what is missing, although this latter rationale could be accomplished while accepting missing materials
2. The staff complete a manual message to each student when records are received
 - This notes what has come in and what is yet missing
 - There is no automation of messages from PeopleSoft’s checklist

Document Processing: Observations

3. All processing of documents for verifications or other purposes is done from paper records
 - This creates the need to assemble and sort paper records
 - Records are alphabetized, which creates additional steps in the process of reviewing records
 - Paper records increases the likelihood that documents are not available when needed
 - On “someone’s desk”

Document Processing: Recommendations

1. Following the imaging recommendations, accept and post any document received from students via mail or in-person
 - Do not return incomplete packets
 - Continue to counsel students who come into the office on what is yet required
 - A small postcard could be used if desired to write down/check off missing items
2. Use the PeopleSoft checklist to automate communications about documents received and a reminder to check the Bronco Direct portal for the list of missing documents
 - This automation can also include a message that the file is now complete and will be reviewed and that additional documents may be required if the review surfaces additional needs/issues

Outreach: Observations

1. The CalPoly Financial Aid Office provides critical outreach services to students and their parents
 - Programs are mainly focused on the FAFSA, Federal and State of California resources, which is a common program delivered by financial aid offices
 - The current program formats do not focus on financial literacy in a holistic manner
2. Budget cuts have reduced the number of programs the office has provided in the past year
3. CalPoly does not participate in the national (NASFAA) College Goal Sunday program

Outreach: Recommendations

1. CalPoly should provide financial aid night presentations to all high schools in its service district that desire them
 - Partner with Outreach to promote the financial aid night for parents and students as a service of the CSU
2. Expand the focus of financial aid nights to exceed process (FAFSA or other applications) and funds (Pell, CalGrant, etc.)
 - Establish the perspective of looking at hard costs less grant aid as the initial out of pocket expense for an institution
 - Loans and payment plans become vehicles to finance gaps
 - Consideration of other costs (books, transportation, personal expenses) should be noted but not included in hard costs
 - Present the perspective of enrolling full-time and finishing in four years as the most efficient financial plan for college

Outreach: Recommendations

3. CalPoly should participate in the national College Goal Sunday program, sponsored by Lumina and the YMCA, with partnership from NASFAA (among many other higher education and community organizations)
 - This does not require that CalPoly create a new program but only that it joins an existing national program to promote financial literacy and answer questions from parents and students
 - Mostly, this involves staffing a phone bank to field calls on aid

4. The Financial Aid Office should join Outreach in participating in the CSU Super Sunday program
 - This brings vital information to students and parents through churches, most of whom serve under-represented populations
 - Financial aid knowledge is critical for this audience

Top Priorities for Action

1. Address staffing shortages
 - Scholarships
 - Service team
 - Counseling staff
2. Increase scholarship awards and enhance recruitment practice for Honors students
 - Bring CalPoly awards up to peer levels
 - Use search lists and guidance counselor events to promote Honors awards
3. Re-engineer processing to automate communications and eliminate paper files

Additional Studies Suggested

1. Financial aid efficacy analysis

- Determine how need and merit affect student choice for initial enrollment
- Determine how need and merit affect student retention and persistence, including full-time enrollment and graduation rates

2. Retention and Satisfactory Academic Progress (SAP) policies

- Determine the rates at which students who fall below required GPA levels are likely to be retained, should CalPoly mirror CSU disqualification guidelines
- Impact/correlation of early alerts and student success

Thank you!

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