



NATIONAL ASSOCIATION OF STUDENT FINANCIAL AID ADMINISTRATORS

★ FROM THE OFFICE OF THE PRESIDENT ★

1/17/2012

Mr. James Runcie
Chief Operating Officer
U.S. Department of Education
400 Maryland Avenue, SW
Washington, DC 20202

Dear Mr. Runcie,

On behalf of the National Association of Student Financial Aid Administrators (NASFAA), I would like to thank you for the opportunity to provide comment on the draft Federal Student Aid Strategic Plan for Fiscal Years 2012-2016. As the association that represents student aid administrators—those that provide the actual link between the Department of Education and student aid recipients —NASFAA members provide a unique perspective that will be valuable to and productive to FSA's five-year strategy.

I commend you for the strength of this draft and we look forward to continuing to work together with Federal Student Aid in order to ensure the access and success of America's students.

Regards,

A handwritten signature in black ink, appearing to read "JDraeger".

Justin Draeger
NASFAA President & CEO

Opening Doors of Educational Opportunity

NASFAA Comments on FSA Strategic Plan FY 2012-16

About NASFAA: The National Association of Student Financial Aid Administrators (NASFAA) supports the training, diversity, and professional development of financial aid administrators; advocates for public policies and programs that increase student access to and success in postsecondary education; and serves as a forum for communication and collaboration on student financial aid issues.

We have categorized our comments into five topics, and offer specific comments, suggestions, and recommendations within each category.

1) College Costs Within Context

The report lists a series of “Key Trends” that have helped to shape FSA’s five-year strategy—the first one being “The rising cost of attendance for postsecondary institutions.” The increase in cost of attendance is undisputable and must be accounted for in a responsible long-range plan. NASFAA believes that the discussion of this issue must also feature relevant information that places the growth of college costs within the context of its contributing factors.

For example, p. 14 notes that the cost of attendance at a four-year public institution has been increasing at a rate of 6.5 percent per year, generalizes the trend to other sectors, and ends by making predictions for very high future costs. The report fails to acknowledge, however, the many factors that contribute to increases in cost of attendance, leaving an appearance that institutions are entirely responsible for this growth. The five-year strategic plan would be better served to include—and address—the contextual “sub-trends” that have led to increased costs of attendance, including:

- Decreased state and local funding
- Increased regulation and cost of compliance
- Growth in enrollment and subsequent need for infrastructure development

NASFAA is concerned about rising college costs as a barrier to access and success, particularly for low-income students. In order to make the best effort at addressing this multi-faceted issue we believe that a healthy five-year strategic plan *must* provide for and address not just the issue of college costs, but also address, through context, *why* costs are increasing. These contextual complexities better highlight the challenges FSA will face in the future and more accurately describes the current environment.

2) The Role of the Financial Aid Administrator and Relationship to FSA

We appreciate that the five-year plan mentions the financial aid administrator (FAA) several times. However, NASFAA believes that the report could be strengthened by the inclusion of a clear definition of the role of the FAA at the beginning of the report. Similarly, the report would be strengthened by a definition of the relationship between FSA and FAAs. Because FAAs serve so many different functions, it is often unclear as to how they are viewed by ED. Are they customers? Participants? Partners? Colleagues? For example, page 31 states that the transition to 100 percent direct lending was successful largely “because of the preparation, training, and technical assistance provided by FSA.” While we may disagree about the proportion of attribution for the successful implementation of the Direct Lending program, the current language presents a picture of the FAA as a customer, whereas in reality, schools played a role more akin to a partner during the transition. Certainly there are different scenarios for which each of these “definitions” may be applicable—but we encourage the five-year plan to be more explicit in the desired role of the aid administrator in certain situations.

Below we have provided some examples of where this could occur:

P.3—How does the aid community fit into the customer service model? In this instance, FAAs could be viewed as both partners and customers.

P.7—FSA’s mission is student-focused with a series of core values and goals. Where do FAAs fit into the establishment of these goals?

P.11/12—There is a reference made here to “partnering” with schools to “...prevent waste, fraud, and abuse.” In terms of partnership, FAAs provide more than those three functions. As such, this may be the best place to expand upon the relationship and role of the FAA in the process, delivery, and overall complexity of aid administration.

P. 13—Exhibit 4 states that the role of postsecondary institutions is to “determine students’ aid packages and disburse funds.” Further, it states that FSA assists postsecondary institutions by “monitoring compliance, educating them regarding policy, and assisting them in meeting requirements.” This exhibit is noteworthy because it both minimizes the role of the FAA—who frequently plays a significant role in determining and resolving student eligibility—and does not properly recognize the collaboration that occurs between FSA and FAAs as they work to better serve students and families.

There are multiple areas where the role and relationship could be further detailed and defined, but we believe that it would be most clear and effective if it occurred in the beginning of the plan, so that the reader has a clear idea of the purpose of the FAA up front. This could be addressed by a paragraph in the “Overview of Federal Student Aid” section, beginning on page 7.

3) Continual Feedback from Schools

Objective 1 on p. 25 references better understanding customers and gaining insights on their needs. It is clear from the discussion that “customers” in this context refers to students and borrowers. We would argue, however, that the same efforts should be made to better understand the needs of FAAs. Throughout the strategic plan, there are very few references to how FSA plans to solicit feedback and ideas from FAAs in order to better serve them as they serve students and families. For example, Objective 1 on p. 29 is “Improve FSA’s support, communications, and processes for postsecondary and financial institutions.” The description of how FSA plans to achieve this objective does not mention any initiatives to collect information from FAAs on improvements they might need. As another example, strategic goal D on page 37 is “Ensure program integrity and safeguard taxpayers’ interests”.

While inadvertent, these sections seem to imply that institutions – and FAAs specifically – are considered an extension of the federal government, acting as federal agents rather than independent professionals who have been empowered by law to make complex judgments to assist students. There is no mention of FSA working with the financial aid community to ensure that schools are provided the information they need to identify eligible students and ensure compliance.

4) Measurement of Administrative Burden

Objective 1 on p. 29 is “Improve FSA’s support, communications, and processes for postsecondary and financial institutions.” We appreciate FSA’s desire to improve in this area and look forward to working together to do so. We do, however, believe, that this section lacks an important topic—FSA’s plans for administrative relief for schools.

Related, we would like to see an effort to redefine the way in which FSA measures administrative burden. NASFAA members regularly comment that the time that FSA allots for administrative burden – as calculated and outlined in proposed regulations - is often under-estimated and does not accurately reflect the true amount of time spent by the aid office.

We encourage FSA to consider administrative relief and accurate implementation estimates as a top priority within their objective of improving the support, communications, and processes for institutions.

5) Outcome Evaluation Metrics

As a stakeholder in this process, NASFAA would like to see greater input from the aid community and other stakeholders in evaluating the five-year plan. Exhibit 13 on p. 50 provides a series of evaluations that occur periodically throughout the process, including the organization performance review, FSA enterprise dashboard, employee satisfaction, and an annual report to

Congress. We would like to see added to this list an external review by stakeholders—this would provide valuable external feedback.

Conclusion

NASFAA would like to thank FSA for the opportunity to provide comments on the five-year strategic plan. We appreciate having a voice in this process, given our strong and close relationship with FSA. The financial aid community looks forward to working with FSA to help make the plan successful.