

January 31, 2018

Why and how the Office of Financial Aid is essential and mission critical

The ASU Office of Financial Aid is critical within the Student Services Division. It is key to the success of the vast majority of the ASU student population, including undergraduate, graduate and Distant Education, as well as the financial integrity of the institution. The capacity to serve such diverse and individually unique student populations with minimal staff and technology is extremely difficult at best. Each area, undergraduate, graduate and Extended Studies has its own challenges which are most often not compatible to each other. We have always made the attempt to be everything to all students. This is not a best practice in any field.

Mission Critical & Essential:

Adams State University must establish and maintain administrative capabilities to carry out the regulatory requirements; General Provisions regulations, 34 C.F.R. Part 668. These are non-negotiable. See attachment: PROGRAM PARTICIPATION AGREEMENT

The ASU Office of Financial Aid is actually comprised of two separate but distinct functional areas, the Processing Center and the One Stop Student Services Center.

The Processing Center located on the main floor of Richardson Hall. The Processing Center is the area where all data and processes are handled. The Processing Center communicates with the various services and systems of the U.S. Department of Education, i.e.; COD, NSLDS, FAA-Access, FAFSA, SAIG and others. These processes and systems allow for the exchange of data regarding potential, current and past students for a multitude of functions and services.

The One Stop Student Service Center is the focal point of services the student population depends on for essential services such as financial aid, registration, student account business and general information. The One Stop Student Service Center relies on the Processing Center for data and information regarding the above mentioned services. As with the Processing Center, the One Stop's primary function is to ensure ASU students have the most current and accurate information available.

- The impact and overall essential role of the Office of Student Financial Aid is to help student secure the necessary funding to cover the overall cost of their education at ASU.
- The Office of Student financial Aid is critical to the U.S. Department of Education regulatory compliance matters. As the seat of the Title IV programs, the responsibilities of compliance are one of the main concerns and which can have extreme detrimental and adverse consequences to the institution and the ASU student population.
- The current job functions of each position within the Office of Financial Aid is attached for review.
- The Office of Financial Aid staff have a varied and complex set of task each is assigned.
- Most functions are based on Federal Title IV compliance. There are 1,331 pages of regulatory language in the current Federal Student Aid Handbook which is a culmination of all federal regulations institutions must follow.

Cost and Benefit of Financial aid to the ASU student population and the institution:

The ASU Office of Financial Aid has a staff of eight (8) full-time employees, (see individual job duties attached).

- The Office of Financial Aid is directly responsible for administering approximated \$36,000,000 annually in Federal, State, institutional, foundation and private funding.
- Over the past 6 academic years the financial aid office has administered a total of \$212,231,014
- For the most recently completed fiscal year (award year FY17) the Office of Financial Aid determined eligibility, awarded and disbursed \$36,403,224 to 2,976 ASU students with an average award amount of \$12,232. (See attached FY17 SURDS report for detail)
- Attached is a list, by position title, responsibilities each position is accountable for. These lists are by no means the entire scope of responsibilities, however, it demonstrates the broad range of duties each Office of Financial Aid staff member “must” do to ensure compliance as well as serve our diverse student population.
- The operational budgets of the two areas are, Financial Aid = \$435,422, the One Stop = \$64,106. Both FY18 Board Approved Budget sheets (See attached Budget Sheets).
- The institution annually receives Administrative Cost Allowances (ACA) from the U.S. Department of Education to assist in the administration of the Campus Based Programs (Pell Grant, FSEOG and Work-study) as well as support training of staff. The ACA can be as much as \$35,000 (approx.) annually. However, these specific funds are absorbed by the institutions general fund.

Quality of Outcomes:

- Based on recently completed state mandated federal compliance audit and a DoE Program Review, it's apparent the financial aid office is maintaining its commitment to regulatory standards in most areas. However, there were findings which raised concerns and must be addressed.
- Only by having a well-staffed and professionally trained financial aid office will the institution be able to meet the standards outlined in the DoE Program Participation Agreement.
- There is also the need to ensure our institutional compliance meets all regulatory standards. This is of great concern at this point in time.
- The Office of Financial Aid has investigated the use of available software and cloud based services to enhance its capabilities, however the advancement of any such technology is limited by the institutions ability to support such endeavors.
- Again, the institution must recognize the limits and extent to which it has the capabilities to operate effectively and efficiently. We can no longer be everything to all. We must focus on what we do best.

Conclusion:

I have attached a PDF document for your review. It is the Adams State University-U.S. Department of Education Program Participation Agreement, better known as the PPA. This is not a classified document, it is available for public review, nor does it contain sensitive information.

Within the document, there are "General Terms and Conditions" as well as selected provision from the General Provisions Regulations, 34 C.F.R. PART 668.14. I know and understand most of you may not read these regulations or comprehend some of the language being used. If you do read them, much of it is mere financial aid "lingo". However, there is one section on page 3, the very last paragraph, item (4) which I firmly believe all ASU employees should read and understand, it states:

"It (ASU) will establish and maintain such administrative and fiscal procedures and records as may be necessary to ensure proper and efficient administration of funds received from the Secretary or from student under the Title IV, HEA programs, together with assurances that the institution will provide, upon request and in a timely manner, information relating to the ADMINISTRATIVE CAPABILITIES and financial responsibility of the institution"

What this means is the institution has agreed to all the rules and regulations governing the Title IV Federal Student Aid (FSA) programs. This includes maintain adequate staffing levels and be able to demonstrate that it is administratively capable of providing the education it promises and of properly managing the FSA programs, (34 CFR 668.16). This is just one of the many regulatory issues the institution must abide by. For the record, there are 1331 pages in the current 2017-18 Federal Student Aid Handbook comprising thousands of individual regulations and rules. It makes for great reading if you're bored.

Simply put, without the financial aid office the institution cannot exist. We are not the end result of education, however, we are a very essential part of today's higher education experience.

