PERALTA COMMUNITY COLLEGE DISTRICT

Office of Financial Aid
Consultant's Report
February 2001

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Introduction

To assist in the attainment of a goal of excellence among community colleges, the Peralta Community College District contracted with Houston Executive Services (HES) to conduct an assessment of various aspects of financial aid services. The Peralta Community College District requested HES provide an assessment of and recommendations for:

- Delivery of Financial Aid Services
- Technological Capabilities
- Staffing Assessment of the Financial Aid Office
- Student Customer service

HES visited the Peralta Community College District on August 23 through 24th, September 12th through the 14th and September 21st and 22nd, 2000. During these visits we interviewed and conducted focus groups with the following representatives:

- Financial Aid Supervisors
- Financial Aid Staff
- Admissions Officers
- Business Officers
- EOPS Officer
- Director of Personnel
- Institutional Research Staff
- Deans of Student Services
- Chief Financial Officer
- Director of Admissions and Records
- Student Representatives

Through these meetings we were able to gain useful information from which to make observations as well as develop recommendations. All of our

recommendations were developed with the goals of the Peralta Community College District in mind.

Executive Summary

We believe the financial aid staff of the Peralta Community College District (PCCD) is committed to serving the students of PCCD. However the system structure, use of staff and system inefficiencies has made this task increasingly difficult. Through our observations, we have identified the following:

- Financial Aid Supervisors, though well experienced and share the same responsibilities as their peers, rank lower than their peers in title and authority. Their limited authority has resulted in a perceived lack of respect by other departments.

- There is an over dependency and mis-deployment of temporary and student workers. Their lack of experience and training has contributed to a large degree in the poor customer service student applicants have received.

- There is no formalized professional development program for financial aid staff even though it is mandated as part of the Peralta Community College District Management plan. There is little incentive for employees to develop themselves professionally. This contributes to poor customer service and has slowed the development of new skills.

- The Personnel Office is perceived as an "island unto itself" rather than a partner with the four colleges. The lack of partnering with the financial aid offices has contributed to an underdeveloped staff, and a recruiting process that is not sensitive to the needs of the financial aid office.

- There is a perception of poor quality of service by the applicants of financial aid. Their issues with the financial aid office range from unqualified staff counseling students, giving misinformation, to a lack of a confidential area where they can discuss confidential information with their counselors.

- There is no commonality in computer hardware among the financial aid offices. While one financial aid office has several new personal computers

and is well-equipped, others have to work with "hand-me-downs." The disparity in computer resources creates an obvious, unnecessary difference in capabilities and quality of services.

- There is limited support from Data Processing/Information Technology. There is only one person on each campus to assist in administrative computing and one person at the District to assist all four financial aid offices. This lack of support has resulted in resolution of issues being delayed.

- There are no financial aid policies in place for use of the SAFE System. This allows the financial aid office at one college to change or delete a student award given by another college. This results in confusion for both the student and the college.

- There is no standardization between colleges regarding the loan programs. Most of the colleges only participate in the Federal Family Education Loan (FFELP) Program but one college participates in the Direct Loan program as well. There is no advantage to the student or college participating in both programs. This has resulted in redundancy of work. *? COB is in fact — student advantage.*

- The financial aid processing time differs greatly among the four offices. The processing time ranges from 2 – 12 weeks at one school to 1-7 days at another. This has resulted in a great disparity in service between colleges.

- The check disbursement processes and schedules are significantly different between the four colleges.

- The Business Office nor the Admissions Office understands the relationship between their office(s) and the Financial Aid Office. This lack of understanding has contributed to a miscommunication between the offices and poor service to the student.

- There are inconsistent billing practices between the colleges. Some financial aid offices are billed for some items that other financial aid offices get that are free.

In order to address the above findings, we recommend a change in the structure of the financial aid office, with the creation of a Centralized Financial Aid District Office. This would include changes to the financial aid process and increased use of technology. Additionally, we recommend the development of a formal staff development program, a re-direction of the use of staff and adoption of customer service as a key core value. Specifically:

- Rewrite and upgrade the position of Financial Aid Supervisor to Director of Financial Aid to reflect their level of responsibility.
- Change the use of temporary and student workers to reflect their qualifications and training. Neither are qualified to supplement fully trained financial aid administrators and should not be used this way. Student workers lack the qualifications to counsel student applicants. The misuse of such workers has contributed to a poor customer service to students.
- Develop a formalized professional development program for financial aid staff. The lack of training and development, although a part of Peralta's Management Plan, has contributed to the low level of customer service, and an inequitable burden on the Financial Aid Supervisor. Customer Service and Diversity training should be ongoing for financial aid staff.
- Develop a more efficient working relationship between the four colleges and the Personnel Office. The colleges should be construed and treated as internal customers of the Personnel Office. The current process is not adequate in meeting the timely needs of the financial aid office. For recruitment related to the financial office, it should be mandatory, not arbitrary, for the Financial Aid Supervisor (Directors) to participate.
- Adopt customer service as a core value for PCCD. As a belief system that influences employee behavior and work habits, this would reflect a higher level of customer service to students. This would have to be initiated and accepted by senior management. This core value would include internal

customers, staff members of PCCD, as well as external customers, which would be the students.

- Give students the convenience and good customer service they expect. With the choices they have today, poor customer service can result in their decision to select another institution for their education. It is no longer an option to have good customer service, it is necessary.

- Supply all financial aid offices with the same level of high quality PCs and required support from Data processing so that the same level of service can be provided to students across the District. The financial aid process is becoming more automated and therefore needs to have reliable PCs and DP support. As the technological trend continues, more technological resources will be needed so that financial aid can be enabled to perform its role. Without this, the quality of service will suffer.

- Create a centralized financial aid process in order to address the inconsistencies in the current financial aid process. Under a centralized model, many processing functions, such as Pell originations, loan certifications, etc could be done at the District Financial Aid Office for all four colleges. This would have the effect of taking advantage of economies of scale, reduce work redundancy and allow financial aid administrators to perform more consultative counseling instead of reacting to problems and student complaints.

Staffing Assessment Of Financial Aid Office

Interviews were conducted with the Financial Aid Supervisors and staff members at each of the four financial aid offices. HES reviewed their job responsibilities, current workload and automation opportunities. We noted the current staffing levels and compared them to the office workload and sought to identify any staffing deficiencies. We conducted staffing comparisons by financial aid office, comparing the office workload with the staff resources. We reviewed staff qualifications, training and experience, making comparisons to job responsibilities.

Additionally, HES reviewed job descriptions to assess the consistency of job titles and grade levels to the job function with like institutions. HES also reviewed the overall office organizational structure and noted differences between the four financial aid offices. Industry established tools were used in assessing and analyzing the financial aid office staffing and size.

HES also met with the Director of Personnel to gain an understanding of the role of the Personnel Office at the District level as well as their role with the four colleges. Our discussion included the recruitment process, job classification, as well as promotional, training and professional development opportunities.

Findings

Financial Aid Supervisors

HES found the Financial Aid Supervisors to be well experienced when compared to their peers. In a recent national survey of financial aid administrators, only 31.5% of Financial Aid Directors had more than ten years experience. Each of the four Financial Aid Supervisors at PCCD has more than ten years experience

in financial aid. This is significant in an industry that places a high value on experience.

The Financial Aid Supervisors are ranked lower than their peers in title and authority. They have the same responsibilities as their peers yet do not have the same management authority as their peers. This lack of authority is an impediment to their effectiveness as managers in that they are not the ultimate decision-makers in their area of responsibility. Consequently there is a delay in issues being resolved or decisions made which negatively impacts office operations.

Despite the lack of management authority, Financial Aid Supervisors at PCCD are responsible for the daily administration of millions of dollars in Federal, state and institutional programs. This has a large financial impact on the District, yet they lack the authority to make basic management decisions such as budgetary, hiring and policy making. Their ability to even participate in the hiring process is often at the discretion of the Dean.

Some Financial Aid Supervisors are required to perform such basic daily operational duties as drawing down ISIRs and file maintenance, taking away from the time and attention needed to function as a manager. The Financial Aid Supervisor has the most in-depth knowledge of financial aid on campus. Of the four deans, only one has attended any financial aid training programs, which alone is not enough to maintain a current knowledge of financial aid.

Of the 106 California community colleges surveyed, only nine other community colleges besides the four of PCCD have the title of Financial Aid Supervisor. Seventy-three have the title of **Director of Financial Aid (69%),** 13 (including the four colleges of PCCD) have the title of **Financial Aid Supervisor (13%)**, 9 have the title of **Financial Aid Manager (9%),** the majority of which are part of the Los Angeles County Community College District (LACCD) and 9 have the title of

Financial Aid Officer or Other (9%).

Comparison of Financial Aid Titles
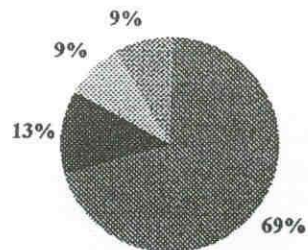
In most two year public institutions, the position of Director of Financial Aid is a mid-level management position. The same survey indicated that 36.4% of two year public institutions have no level of management between the Director of Financial Aid and the college president/CEO; 41.2% have one level of management between the Director of Financial Aid and president/CEO.

Because the Financial Aid Supervisors are classified employees, there is a perceived lack of respect from other departments, such as the Business Office. Response to requests of the Financial Aid Office is often delayed because of the lack of priority given financial aid. This has translated into a lack of cooperation where ultimately the student is penalized.

There is no logical reason for the employee classification of the Financial Aid Supervisors. Their titles of Financial Aid Supervisors are more a reflection of the District's obsolescent internal structure than industry trend.

Temporary/Hourly Workers

There is an over dependency on temporary hourly workers. It has become common practice to supplement hourly workers for regular, full-time staff which is against District policy. They lack formalized training and are unable to carryout the responsibilities of a trained financial aid administrator. As a result, customer service suffers, there is an inconsistency in the delivery of service, work redundancy and waste. According to District policy, part time hourly staff is intended to be temporary, to address a particular project or need.

Student Workers

There is also an over dependency on student workers. They too lack any formalized training in financial aid. There is constant turnover of student workers. Student workers are often placed on assignments where they have little or no training. One example of this is assigning students to the front counter counseling other students. This often results in misinformation given to student applicants, causing them to make unnecessary, repeated trips or phone calls to financial aid before being properly serviced. Student applicants also do not feel comfortable in discussing confidential and personal issues with another student.

Resource Management

Some financial aid offices are experiencing key staff shortages of six months and longer. This has resulted in a chronic inability to properly manage the financial aid programs and serve students. Students are penalized due a severe lack of resources to serve them. More importantly, the District has been unable to provide back-up resources when these kind of critical situations occur.

The job titles and descriptions of the financial aid staff are outdated and have not been updated in several years. This has resulted in job titles and descriptions that have not kept current with today's job demands. This has further contributed to the perpetuation of inadequate recruiting, in that new qualifications are not being included to reflect new job demands.

Staff Training & Professional Development

Goal #17 of the Peralta Community College District Management plan mandates to "Develop and implement a comprehensive Human Resource Plan that includes the assessment of professional development needs, employee performance and development…"

Although financial aid staff members attend financial aid training and workshops, there is currently no formal professional development or training program. This was not expressed as a priority by any members of the management team during our interviews.

There is little incentive for employees to seek professional development. For example, there is no tuition remission or discounts offered to PCCD employees. Employees are not encouraged to develop professionally by taking classes, pursuing degrees or seeking additional training. This slows the development of new skills, refinement of current skills and knowledge, causing performance to suffer. This may be best exemplified in the area of customer service and work efficiency.

Recruitment and Hiring Process

There is no partnership between the Personnel Office and the four financial aid offices. The four colleges are not seen as internal customers of the Personnel Office. Rather, the Personnel Office sees its role as the final authority in all personnel issues without placing value on understanding the issues and needs of the financial aid office. The Personnel Office has not taken the initiative to understand and meet the needs of the Financial Aid Office. One example of this is the lack of participation of the Financial Aid Supervisors in the recruitment for their office. Another example is the lack of contribution on the part of the Personnel Office to identify the need for staff development and collaborate with financial aid in establishing such programs.

As the needs and climate changes within the financial aid community, the Personnel Office has been unwilling to move to accommodate these changes. This is exemplified in the way in which the reclassification request is handled. Recently a request was made by members of the financial aid staff at Laney College for reclassification of one of its employees. The Personnel Office demonstrated an unwillingness to understand the issues unique to the financial aid community and changes needed.

Obtaining approval for new positions, which are desperately needed, is an unnecessarily long, drawn out procedure. Most of the decisions regarding new positions or filling old positions are made in the absence of a partnership with the Financial Aid Supervisors.

Recommendations

Financial Aid Supervisors

The Financial Aid Supervisor's position should be re-written and upgraded to Director of Financial Aid. There is an inequity with the Financial Aid Supervisors having similar responsibilities as their peers, yet lacking the title and authority needed to carry out their management responsibilities. There is also a demoralizing effect when the supervisors are committed to serving the students of PCCD but are not being professionally compensated as they should be. The job descriptions should be rewritten to reflect a management position. This will be more in line with market job titles for those performing similar functions in the financial aid industry. It will have to be determined whether or not internal candidates meet the job qualifications of the new Director of Financial Aid position.

The Financial Aid Director would report to a District Senior Financial Aid Director, a newly established position (see Technology and Delivery of Service Section), instead of a Dean of Student Services. Such a structure would allow for a single,

experienced financial aid advocate on a management level that would promote the objectives of financial aid. The current structure allows for a dual reporting, where the Financial Aid Supervisor reports to the Dean of Student Services and Director of Admissions and Records. Such a structure does not allow as clear of an advocacy for financial aid but tends to become meshed with other student services. All student services related issues would be coordinated with the Dean of Student Services and all financial aid related issues by the District Senior Financial Aid Director and the college Directors of Financial Aid. This would allow for a more consistent reporting structure for each of the four financial aid offices.

Proposed College Financial Aid Office Organizational Structure

The organizational chart of the financial aid office for the four colleges would be restructured and staffed as reflected on the organizational chart below.

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                    ┌─────────────────────────┐
                    │ Sr. Director of District│
                    │ Financial Aid Office    │
                    └───────────┬─────────────┘
                                │
                    ┌───────────┴─────────────┐
                    │ College Director of     │
                    │ Financial Aid           │
                    └───────────┬─────────────┘
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  ┌─────────────────┐ ┌─────────┴──────────────┐ ┌──────────────────────┐
  │ Financial Aid   │─│ Financial Aid Customer │─│ District Data Liaison │
  │ Counselor(s)    │ │ Service Rep(s)         │ │                       │
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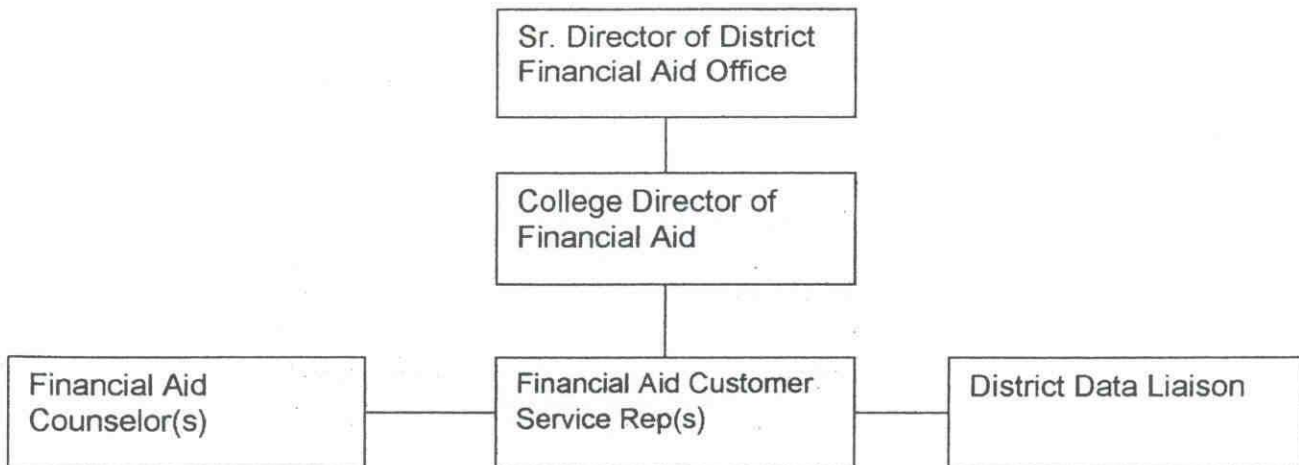
Each position would function as follows:

Director of Financial Aid – the Director of Financial Aid would manage the Financial Aid Office, develop new programs, direct staff, etc.

Financial Aid Counselors – the Financial Aid Counselors would be responsible

for verification and packaging of student files and for providing financial aid counseling to students. Because of the anticipated increased automation of their job, they will need to be technologically oriented. The recommended number of Financial Aid Counselors per college has been determined based upon the number of financial aid recipients and financial aid program volume. We have used a national staffing model to estimate the number of staff members that each college should have and used this information to recommend the number of counselors per college.

Financial Aid Customer Service Representatives -- the Customer Service Representatives would be responsible for greeting students, answering basic questions and providing guidance in the application process. These employees would answer telephone and in-person inquiries and refer students to counselors for further assistance as necessary. They would also respond to all voice mail and e-mail messages. Again, the number of Financial Aid Customer Service Representatives needed has been recommended based upon the number of financial aid applicants and financial aid program volume.

District Data Liaison -- the District Data Liaison would be responsible for managing the transmission and receipt of data between the District Financial Aid Office and the college. This person would report to the Director of Financial Aid but because of the technological nature of the position would also have extensive contact with the District Assistant Director of Financial Aid Systems. (See Technology and Delivery of Service Section). We recommend that each college have one such position.

HES requested that each college provide the total amounts spent in the previous award year for all of the Federal and State aid programs. We also requested information regarding the total number of aid recipients and total school full time equivalent population. The figures as reported by each Financial Aid Supervisor for the 1998/1999 award year are reflected on the following table:

Reported Program Funding Levels and Aid Recipients

	Alameda	Laney	Merritt	Vista
Federal Pell	$1,958,742	$4,790,652	$3,359,678	$1,278,485
FSEOG	$210,976	$404,974	$268,698	$54,326
FWS	$145,817	$251,743	$187,401	$50,887
FFELP	$30,536	$215,426	$0	$0
State Programs	$637,604	$1,325,516	$577,234	$248,784
Total Dollar Aid	$2,983,675	$7,075,710	$4,501,659	$1,632,482
Total Aid Recipients	3,407	9,845	4,264	1,500
School Size	5,500	11,000	6,000	4,000
Estimated total staff needed	7	10	7	5

The figures reported above were analyzed using a national staffing model to determine the average number of staff members required to adequately administer the financial aid programs. The staffing model provided a high, low and average recommended staffing level.

HES used the average staffing number for the purposes of this report. Because it is our recommendation that a District Financial Aid Office be created to handle financial aid processing, the workload in each office should be reduced by approximately 30%. Therefore, we reduced each staffing recommendation by 30%. Staffing recommendations for each college are reflected on the table below.

Because customer service is critical to meeting the goals and objectives of the

District, we have recommended that each college be staffed at an optimal level with Financial Aid Customer Service Representatives. These Customer Service Representatives must be critical thinkers, highly skilled in customer service practices as well as financial aid. As the majority of verification and packaging functions are automated, the need for counselors will be lessened.

Staffing Recommendations

	Alameda	Laney	Merritt	Vista
Director	1	1	1	1
Counselors	1	2	1	1
Customer Service Rep	2	3	2	1
District Data Liaison	1	1	1	1

Alternative Staffing

Temporary and student workers should be used in a way that is more reflective of their qualifications and training. Neither are qualified to supplement fully training financial aid administrators and should not be used this way. Student workers lack the qualifications to counsel student applicants. The misuse of such workers has contributed to a poor customer service to students. The dependency on temporary/hourly workers must be reduced. Their role must be confined to a temporary basis as originally intended.

Student workers should be reassigned to more clerical tasks, such as filing and photocopying under the supervision of a well-trained and experienced financial aid administrator where they can be trained and monitored. Because of the high degree of turnover of student workers, these kind of assignments would have nominal impact to office operations.

Centralized Financial Aid Process

In order to provide a consistent delivery of financial aid service, we recommend

instituting a centralized financial aid process. Under a centralized model many processing functions, such as Pell originations, loan certifications, etc. would be done at the District Financial Aid Office for all four colleges. This would reduce the redundancy of operations such as data input. This would allow the college financial aid staff to focus more on customer service, student counseling, scholarship advice, student budgeting, etc. (See Technology and Delivery of Services section.)

Staff Training & Professional Development

A formalized annual training and professional development program should be developed for each financial aid staff, and included as part of their annual performance review. At minimum, a professional development program should include:

    a) Financial Aid regulatory update and training
    b) Ongoing technology/computer training
    c) Presentation/communication skills
    d) Customer Service training
    e) Cultural Diversity training

Additionally, we recommend:

    a) Cross training opportunities
    b) Promotion of qualified internal candidates as the opportunities arise.

The lack of training and development, although a part of Peralta's Management Plan, has contributed to the low level of customer service, and an inequitable burden on the Financial Aid Supervisor. Customer Service and Diversity training should be ongoing for financial aid staff.

Incentives such as tuition remission, employee discounts on tuition at PCCD colleges should be used to encourage career advancement and reward the strong performers.

In addition, a partnership should be developed between the Personnel Office and the Financial Aid Office to assist in identifying training needs and collaborating on creating training and professional development programs and opportunities for financial aid staff.

Recruitment and Hiring Process

PCCD's hiring and recruitment process must be reviewed for permanent, full-time employees. The process should be streamlined and made more responsive to the needs of the Financial Aid Office. This would include looking for opportunities to reduce the number of steps required to hire full-time employees.

A more efficient working relationship must be developed between the four colleges and the Personnel Office. The colleges should be construed as internal customers of the Personnel Office. The current process is not adequate in meeting the timely needs of the financial aid office. For recruitment related to the financial office, it should be mandatory, not arbitrary, for the Financial Aid Supervisor (Director) to participate.

It is also our strong recommendation that an outside human resources consulting firm be hired to review and upgrade the practices of the PCCD Personnel Office. The current recruitment and reclassification process are examples of the policies and procedures that have not kept pace with today's market. Many of the policies and procedures are antiquated, having originated from the beginning of the school district. Oftentimes the rational for why certain things are done is, "that's the way its always been done at Peralta." This has resulted in more of a hindrance to the Financial Aid Office than assistance, in that such processes are so burdensome and demoralizing. Unless the policies and procedures and decision-making practices are reviewed and updated to reflect Human Resources trends for the twenty-first century (which includes changing the name from *Personnel Office* to *Human Resources*), neither the financial aid offices nor

the district will be in a position to move forward.

Customer Service

Interviews were held with the Financial Aid Supervisors and staff members at each of the four financial aid offices regarding customer service. A mini-focus group was held with student leaders representing the four colleges. Their feedback was compared to perceptions of the staff of the financial aid offices.

The issue of confidential areas to counsel students was an important one. We therefore queried both staff and students on the necessity of confidential areas used to counsel students, why was it important, how would it assist the staff and benefit the student. By comparison, we observed the use of front counter for the four offices, how it was being used and its adequacy use.

HES met with the staff of the Department of Institutional Research (DOIR) to gain an understanding of the market information on students at PCCD. Our purpose in meeting with them was to 1) gain an understanding of their role in the PCCD and 2) gain an understanding of their role in any market research for PCCD, student satisfaction survey results, etc.

HES also met separately with representatives of management of other departments that interface with the financial aid office. Our purpose was to gain an understanding of the quality of their working relationship and if there were issues that were impeding financial aid from executing its duties. Additionally, we wanted their perspective on financial aid's level of customer service and specific areas of concern.

Findings

Quality of Customer Service

There was a major difference in the perception of customer service between the

students and financial aid staff. The financial aid staff in most instances felt they were providing good customer service. However this was not reflected in the comments of the students. Some of the key issues were:

1. Unqualified student workers working on the front counter counseling students that are not trained to counsel students.
2. Limited number of staff with bilingual capabilities.
3. An extremely long process for applying for financial aid; too much redundant information required for processing financial aid paperwork.
4. Unnecessary repeated trips to financial aid to ask for paperwork to complete process.
4. Late awarding of financial aid.
5. High frequency of late disbursement of checks felt to be higher than the norm.
6. Unavailability of funds on the first day of school for books and other major supplies.
7. Unavailability of experienced staff present during normal business hours to answer questions. There is typically only one person who can correctly answer financial aid questions – if that person is not there, then the student must come back again.
8. Inconsistent information, getting different financial aid information depending on the staff person you speak with.
9. Always getting voicemail when calling the financial aid office and the difficulty in talking to a live person.
10. Untimely return of phone calls when messages are left regarding financial aid inquiries.
11. Unpleasant staff.   At times staff greets student with an unpleasant disposition.
12. Student complaints often go unresolved or take an unusually long time to resolve them.
13. Office Aesthetics

a. The scrolling message board at Merritt College is confusing. It scrolls other information in addition to the department name. Typically a student has to wait approximately 17 seconds to find out what department he or she is in.

b. Words on the message board in the student services lobby at Merritt College are misspelled.

c. Area in the financial aid lobby at Vista is cluttered with miscellaneous flyers, posters and notes all over the wall and cubicles.

d. Quarters extremely cramped at Vista. Handwritten notes are taped on door or wall to communicate with students. The yellow line on floor is unprofessional and worn out.

e. Laney's lines for the front counter are crowded and congested and at times seemed disorganized. Additionally the location of the financial aid office is inconvenient for the student. It is located on the second floor away, from other student service areas.

14. The appeal process for Satisfactory Academic Progress (SAP) is disorganized and confusing to students.

Adequacy of Confidential Areas

The financial aid staff at each of the four colleges all expressed a strong need for confidential areas in which to counsel students. Many students have unique needs which they often have a difficult time expressing in financial aid because other students are in earshot of what they may have to say. They may have things that may be embarrassing or very confidential. This impedes the financial aid staff in properly assessing the student needs.

The current front counter set-up does not appear to be appropriate in serving students at any of the four colleges. It projects a non-business image. It tends to encourage a loud and noisy atmosphere. One student described it as "more like a welfare office than an office of higher education."

Recommendations

Peralta Community College District will be serving a different kind of student in the future than they are now serving, one with higher expectations and greater consumer options. Tomorrow's students will be different demographically with varying needs. It will be important for PCCD to recognize the changing trend and begin to position itself to adequately service those students.

Students seeking an education from a Community College will be looking for an institution that is affordable yet provides good educational value with relatively easy admission requirements. Students will expect easy access to a school that is open during hours convenient for them- preferably around the clock. As with other services, they expect polite, knowledgeable, efficient and available staff.

With the increased demand on urban, commuter students like those of PCCD, they will come to expect a simple process, with little or no waiting, one-stop shopping, a product or information that's there when they need it. Convenience and value added service will become increasingly important in the delivery of customer service and will make a difference in the choice of the student. Students will look for a quick solution to their problem. In the case of financial aid, that means getting their money as quickly and conveniently as possible.

As part of this convenience package, PCCD must offer a variety of ways to make financial aid services available and accessible to the student. Peralta, must be willing to use different channels to deliver financial aid services to their students. The more channels, the greater the convenience to the student. This gives students more choices in accessing financial aid services. In today's technology world, the expectations of options is becoming increasingly important. The type of channels used to reach students will be important. The more variety of channels i.e. electronic, telephonic, published and in-person, the more successful the contact.

Customer Service as Core Value

Customer Service should be adopted as a core value for PCCD. A core value is a belief system that all employees internalize. It influences their behavior and work habits. This would have to be initiated and accepted by senior management. This core value would include internal customers, staff members of PCCD, as well as external customers, which would be the students.

As a further demonstration of the commitment to customer service, we recommend this become an area of rating on employee's performance evaluation. Implied in this recommendation is the assumption that employees have a clear understanding of what customer service means. This would require adequate training in their area. Evaluating employees on customer service will help to highlight its importance.

In today's world, students demand convenience and good customer service. With the choices students have today, poor customer service can result in their decision to select another institution for their education. It is no longer an option to have good customer service, it is a requirement .

The approach to processing a student's financial aid application should be reviewed to determine if there is a more efficient way to serving the student. Part of this process review includes a forms review, information that's requested of the student. In many cases students are asked redundant information by the financial aid office, information that is available in other parts of the PCCD system. The information being ask of students should be reviewed for redundancy. If the information is being captured somewhere else in the system, staff should avoid requiring the same information.

Financial aid must be allowed to adopt a consultative approach to counseling students. Instead of giving a simple "yes" or "no" to a students' inquiry, or

directing the student to a particular form, "go the extra mile." Share with the student the staff's expertise. It means making inquiries of the student beyond what the student may be asking, attempting to gain an understanding of the student's needs. With centralized processing, the financial aid staff can take a more proactive approach to counseling students, focus more on customer service and prevent the student from having to make unnecessary repeated trips or contacts with the financial aid office

Training in key areas of customer service and cultural diversity training must be ongoing. As the anticipated changes in student demographics take place, it will become increasingly important to have more bilingual staff available to service the different ethnic groups.

Use of staff

Only qualified staff should be assigned to the front counter and counsel students. A certain level of training or experience should be required before assigning a staff member to the front counter. Student and temporary workers should not be assigned to the front counter, but rather assigned to tasks that do not include student contact. They should be under the close supervision of an experienced financial aid staff. This could be used as a training opportunity for temporary workers in financial aid.

Proper coverage should be provided so that qualified staff is always available to counsel students during normal business hours.

Office Hours

Office hours should be adopted that are convenient for the student. The office hours of financial aid should coincide with the office hours of the other areas of student services. Additionally, the office hours should be the same for all four financial aid offices throughout the District.

Professional Environment

The use of the front counter should be reexamined. It contributes towards an unprofessional image of the financial aid office. The area is often crowded and noisy. Consideration should be given to using it as more of an "express line" rather than for servicing the bulk of students. For example, walk-up students who are just dropping off or picking up a form, who do not require to meet with a financial aid counselor, could be serviced using the front counter. For more in-depth needs, the front counter is not the appropriate place.

A professional and business-like environment should be established. This would include construction of appropriate cubicles, tables and chairs. This would help give the student a feeling of meeting with a professional.

There should also be consistency throughout the District so that a student coming to the financial aid office at one college will have a similar experience at any of the other financial aid offices.

Website Development

In order to increase service to students and take advantage of today's technology, we recommend developing a web site for the District Financial Aid Office with links to the four college financial aid offices. The Web is already a part of today's technology culture and should be integrated into the student's experience at PCCD as a value-added service to students. The Web can be used in a variety of ways. One example would be in improving the students' ability to access basic financial aid information. With the appropriate security, students could access their records, draw down forms needed to complete the financial aid processing, find out the current status of their application, obtain answers to general financial aid questions. By monitoring common questions and other issues that students are asking, this information can be captured and made available on the Web (FAQs). The Web could also include links to other departments both inside and outside the school that students could use.

The Web site should have an interactive capability, meaning it should provide more than just text information. For example, for students borrowing money, there could be an electronic budget calculator where the student would input information and would should the adjustment each time the student takes a disbursement on their loan. The budget could then show the resulting outstanding balance, the estimated monthly payments, projected monthly income to satisfy debt coverage. There could also be links to other related information as scholarships, internships, student employment, etc. where the student could do their own research at their own convenience. Information that is generally found in the school's catalog or in consumer pieces could be made available on the web. The further inquiries, the Web would have an e-mail address for the student to use. The school would be committed to keeping the Web site current.

This would particularly be useful to those who are not California students or students living outside the immediate PCCD area.

Other Uses of Technology

Other access channels should be developed such as electronic and telephonic to increase service to students. Some of these channels could be used to enhance communication to students, others to expand service to students. Some of this is further elaborated on in the Technology and Delivery of Service section.

Communication

Voicemail Voicemail can be a useful tool for students. It can benefit students who attempt to access the financial aid office after normal business hours. We recommend that voicemail be used only as an alternative to students after normal business hours. During normal business hours, we recommend designating a staff person to answer and respond to incoming calls. Customer Service Representatives (CSRs) should be designated to route voicemail messages to the proper staff so as to give the student a quick response.

Students should never get voicemail during normal business hours. This was a major student complaint.

E-Mail E-Mail can be another convenience to the student in that they can forward and receive answers to their inquiries without having to come to the office in person. We recommend establishing an e-mail address for each of the financial aid offices where students can send their inquiries. A CSR would be responsible for responding to and routing the e-mails to the appropriate person.

Timely response to students inquiries as extremely important. Subsequently, a policy should be established District wide that requires all voicemail and e-mail messages from students have a minimum 24 hour response. This is a very important and valuable element of customer service.

Extended Service

Technology can also be used to expand or enhance service to students. On example of this is in the area of funds disbursements. Currently financial aid award funds are disbursed via checks. As this will be expanded on in greater detail in the next section, this has become a very tedious and inefficient process, not to mention the inconvenience to the student.

Electronic Funds Transfer By each student having a savings account, financial aid disbursements could be made electronically directly to a students' account. This would eliminate the inconvenience of students having to be present on the day of checks disbursements as well as standing in line for their checks. This would also eliminate the inconsistent and inefficient process of funds disbursement. The number of checks processed would be reduced. Instead financial aid checks would only be processed for those students in exceptional cases that did not have a savings account.

Technology and Delivery of Services

Technology and the delivery of financial aid services go hand in hand. Because of the link between these two aspects of services are so closely related, this section has intertwined the two.

Number 14 of the Peralta Community College District's Goals, adopted June 8, 1999, states, "Upgrade and expand the use of technology in educational programming and administrative services to provide state of the art equipment, information access and facilities for students, faculty and staff." With this goal in mind, HES conducted several interviews and facilitated meetings to specifically discuss the status of technology within the Peralta Community College District.

Findings

One of the most overt issues within the Peralta Community College District is the varying level of financial aid services available to students, as well as the difference in processes, accessibility and appearance between the four colleges. It would be expected that four colleges of the same District would have processes, facilities and services very similar, especially since so many students attend more than one Peralta College at a time. Additionally, because students have formed a District-wide student association, uniformity between the campuses is even more necessary, as students talk and compare services amongst themselves.

We were able to make several observations regarding technology and the delivery of financial aid. They are as follows:

1. Although all of the Financial Aid Supervisors have a reporting line to the District Director of Admissions and Records, and directly report to a campus Dean, they lack direction and coordination from a financial aid professional. Although the District Director of Admissions and Records and the Deans are committed to the success of Admissions as well as

Financial Aid, they are not financial aid professionals and lack the expertise and time necessary to effectively move the Offices of Financial Aid forward and ensure the integrity of processes throughout the District.

2. The organizational structure for the Colleges creates confusion. The dual reporting structure for the Financial Aid Supervisors does not allow for proper communication or coordination between the colleges but rather promotes separatism and a negative competition. The colleges are competitive to a degree that prevents them from assisting one another, sharing resources or collaborating on projects.

3. There is no commonality between the colleges in hardware resources. While Laney College with several new personal computers and many printers is the best equipped, Merritt College is the worst with "hand-me-down" computers and only one printer. This disparity in computer resources creates an obvious, unnecessary difference in capabilities and quality of services.

4. There is limited technical support from Data Processing/Information Technology. Because there is only one person on each campus to assist in administrative computing and one person at the District to assist all four financial aid offices, resolution to issues is often delayed. The Financial Aid Office often has difficulty locating the campus support person and is left to resolve issues without Information Technology assistance.

5. Batch letters and ISIRs are printed at the District Office instead of on the individual campuses. Data Processing determines the timing and frequency of letters and checks for students. This causes a delay in delivery of services to students.

6. The Safe System allows one college to award a student but another college to change or delete the award. This causes confusion not only for the colleges but also for the students in that no one campus has sole control or ownership of a student's electronic record.

7. Check runs are not timely. This forces students to wait an extended period of time before receiving financial aid checks.

8. Student time sheets are not automated and therefore completing the payroll cycle for students is a cumbersome, time-consuming process. Timesheet information is typed one student at a time.

9. There are great differences in the way in which each college uses the SAFE system. There is no standardization of process or procedures in its use. In fact, Vista College uses SAFE on a very limited basis and has opted to rely on the Department of Education's EDExpress software instead. Because of these huge differences in the use of SAFE, students often apply for financial aid at a particular college because the financial aid process is faster but take little or no classes at that college.

10. Most of the colleges do not publicize the use of Free Application for Federal Student Aid (FAFSA) on the Web to apply for financial aid. Therefore, students often work through the process independently which sometimes leads to errors such as the omission of completing the signature page. This causes delays in processing with the Department of Education.

11. The way in which Institutional Student Information Report (ISIRs) must be transmitted from EDExpress to SAFE and then be printed at the District causes a delay in processing. At least a day is added to the processing time because of the overnight importing process.

12. Some of the colleges request all ISIRs that are downloaded by the District with their college listed be printed and sent to the college. This is a significant waste of time and paper in that students are allowed to list six colleges on the ISIR. This means that simply because a college name is listed on the ISIR does not necessarily mean that the student will attend that college or desire financial aid at the college. Additionally, the same ISIR could be printed four times and sent to all four colleges although the student is only applying for financial aid at one of them. There is no process in place to verify the attendance intentions of students to ensure that students receive accurate and consistent information from the appropriate financial aid office.

13. There is no standardization between colleges regarding the loan programs. Laney only participates in the Federal Family Education Loan Program (FFELP) but the College of Alameda participates in FFELP and the Direct Loan program as well. (Neither Vista nor Merritt participate in the loan programs due to previously high default rates. It is the understanding of HES that these two colleges will be reinstated into the loan programs in 2001.) There is no real advantage to participating in both loan programs and in fact participation in both programs adds unnecessary work in reconciliation. If all four colleges participate in the FFEL Program and agree upon the same lender list, their volume would be high enough to use lender resources such as free printing of financial aid brochures and other consumer information pieces.

14. Financial aid processing time differs greatly among the four colleges. The processing time from initial application to disbursement of funds ranges from 2 – 12 weeks at Laney, to 1 – 7 days at Vista. The average processing time for the four colleges is 5 weeks. The processes at the four colleges differ to such a degree that there is no uniformity in processing time for students.

15. Some colleges have a special fund from which to issue emergency loans to financial aid recipients with applications in process. However, this is not consistent for all four of the colleges and presents another vast difference in service.

16. The check disbursement processes and schedules are significantly different between the four colleges. The Cashier/Business Office does not seem to make check delivery a priority and students are offered a very narrow window of time in which to pick up checks. The delay from the time the checks are received from the District and the time students can actually pick up the checks is excessive in many cases. For instance, although all checks are delivered to the colleges on Friday, Vista disburses the checks on the same day while Merritt and Alameda disburse the checks to students on the following Tuesday and Wednesday. To

worsen the situation, Alameda only allows students to pick up checks on one day of the week. The result of all of this is very poor customer service.

17. Communication from the colleges to student applicants is not coordinated. Consequently, if a student lists more than one Peralta College on the ISIR, the same student may receive multiple letters with differing messages from each of those colleges. This makes for a confusing situation for students, particularly if the student receives a letter from a college that he does not plan to attend. There is no process or agreement between the colleges in place to ensure that a student will only receive communication from the college from which he plans to receive financial aid.

18. Neither the Business Office nor the Admissions Office understands the relationship between their office and the Financial Aid Office. When asked to describe their relationship with Financial Aid, the Business Officers unanimously answered, "We don't deal with financial aid." This was the response even though the Cashiers report to the Business Office. This lack of priority and focus on financial aid is evidenced by the lack of coordination and support between the Financial Aid Office and the Cashiers.

19. Meetings are not regularly held between the Business Office, Cashiers Office and Financial Aid for issue resolution or coordination of critical dates, such as check disbursements. Though a major, new federal regulation regarding the Return of Title IV Funds went into effect on October 7, 2000, as of the date of our visit there had been no meetings or discussions District wide with the Business Office, Cashiers Office and Financial Aid. This new regulation will have a significant financial impact on the Peralta Community College District. The fact that there were no meetings regarding this issue is a further illustration of a lack of proper communication between departments.

20. There are inconsistent budget billing practices among the colleges. For instance, it is sometimes the case that if the Financial Aid Office at

Alameda sends a large number of items for mailing, the postage is billed to the Financial Aid Office. However, there are other times, that the postage is not billed to the Financial Aid Office. Not only is this inconsistent on the college campus itself, but also inconsistent District-wide, as some colleges do not have to pay postage from their budgets at all.

Recommendations

The fragmented way in which the four financial aid offices interact with each other, and the District, is a severe impediment to customer service. A student's transition from one college to another within the District should be seamless. We believe not only should some of the processes and services be uniform, but also that some of them should be done at the District. It is our intention with this Technology and Delivery of Services section to outline a plan by which the four colleges may better compliment rather than compete against one another.

While reports of this nature generally suggest planning implementation of recommendations over a period of years, we suggest a more aggressive approach. With the ever-increasing speed at which technological advances are taking place, waiting until "tomorrow" to implement "today's" plan will result in working by "yesterday's" standards. The recommendations to follow will only be effective if they are implemented within the next 12 months.

Central Processing

To address the findings listed on the previous pages, particularly as related to the differences, competition and inefficient use of resources; it is our recommendation that PCCD develop a District Financial Aid Office. The District Financial Aid Office would not supplant the College Financial Aid Offices but rather enhance their effectiveness by allowing them to focus strictly on the students and customer service. The College Financial Aid Offices are so inundated with the day to day processing that they do not have the time to

provide quality customer service to students.

This District Financial Aid Office would function as follows:
- originate and disburse Pell Grants,
- process Cal Grant Rosters,
- process loans,
- develop and implement a District-wide default management plan,
- coordinate efforts between Financial Aid, EOPS and Cal Works as well as manage BOGW related issues,
- coordinate the work study program and process time sheets,
- train on and maintain the financial aid computer system,
- initiate and manage completion of the FISAP reports,
- coordinate delivery of financial aid funds via electronic funds transfer directly into the student's bank account.

Other recommendations regarding a District Financial Aid Office are as follows:
1. Create process whereby policies, procedures and decisions would be made jointly between the District financial aid office and the college financial aid offices.
2. Create a new position of District Sr. Director of Financial Aid. We have already recommended that each college either promote the Financial Aid Supervisors to Director of Financial Aid or hire a Director of Financial Aid in the Staffing Section of this report. The college Directors of Financial Aid would report directly to a District Sr. Director of Financial Aid with no reporting line to a campus Dean.

The Sr. Director of Financial Aid will supervise the college Directors as well as manage the District Financial Aid Office. This would be an upper management position reporting directly to the Vice Chancellors of Educational Services, as does the Director of Admissions and Records.
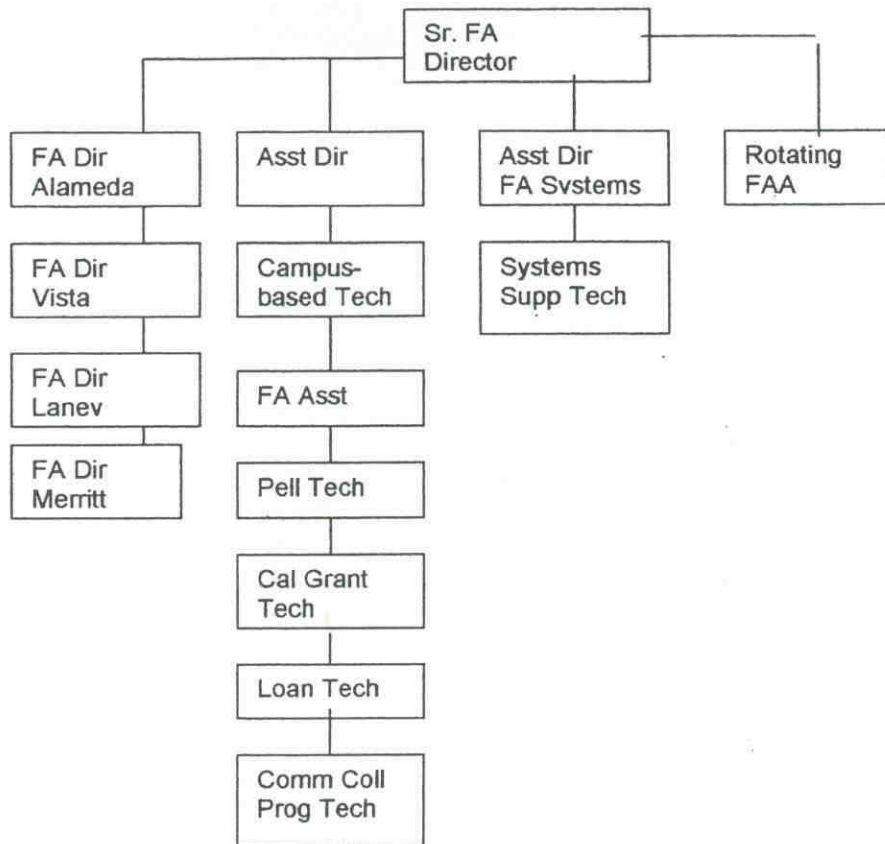
The Sr. Director of Financial Aid along with each of the college Directors would work closely with Admissions and Registration, the Cashier and other Student Service Department to ensure optimum service to students and coordination of efforts

3. Hire a Rotating Financial Aid Administrator. This employee would be mobile and work at the college that has the priority needs. The priorities will be set by the Sr. District Financial Aid Director along with the College Directors. The rotating financial aid administrator should be experienced to a level of functioning as a Financial Aid Customer Service Representative or acting Director. This person will work wherever needed.

   The Sr. Director of Financial Aid will also utilize the rotating Financial Aid Administrator to ensure that each college is always sufficiently staffed.

4. .Hire a District Assistant Director of Financial Aid. This person would be of support to the Director of Financial Aid.

5. Hire a District Assistant Director of Financial Aid Systems. This person would be in charge of the computer systems for financial aid and be responsible for keeping abreast of technological trends as well as training for all four colleges. The Assistant Director of Financial Aid Systems would also supervise a Systems Support Technician.

6. Staff the District Financial Aid Office with a Financial Aid Assistant, a Pell Grant Processing Technician, a Cal Grant Processing Technician, a Loan Processing Technician, a Community College Programs Coordinator (for EOPS, CalWorks and BOGW), a Campus-Based Programs Technician, a Systems Support Technician.

See following chart for proposed organizational structure:

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                                    ┌──────────────┐
                                    │   Sr. FA     │
                                    │   Director   │
                                    └──────────────┘
        ┌────────────────┬──────────────┴──────────────┬──────────────┐
  ┌──────────┐    ┌──────────┐              ┌──────────────┐    ┌──────────┐
  │ FA Dir   │    │ Asst Dir │              │ Asst Dir     │    │ Rotating │
  │ Alameda  │    │          │              │ FA Svstems   │    │ FAA      │
  └──────────┘    └──────────┘              └──────────────┘    └──────────┘
  ┌──────────┐    ┌──────────┐              ┌──────────────┐
  │ FA Dir   │    │ Campus-  │              │ Systems      │
  │ Vista    │    │ based Tech│             │ Supp Tech    │
  └──────────┘    └──────────┘              └──────────────┘
  ┌──────────┐    ┌──────────┐
  │ FA Dir   │    │ FA Asst  │
  │ Lanev    │    │          │
  └──────────┘    └──────────┘
  ┌──────────┐    ┌──────────┐
  │ FA Dir   │    │ Pell Tech│
  │ Merritt  │    │          │
  └──────────┘    └──────────┘
                  ┌──────────┐
                  │ Cal Grant│
                  │ Tech     │
                  └──────────┘
                  ┌──────────┐
                  │ Loan Tech│
                  └──────────┘
                  ┌──────────┐
                  │ Comm Coll│
                  │ Prog Tech│
                  └──────────┘
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The College Directors of Financial Aid along with the Sr. Director should develop a system for processing financial aid that is uniform for all four colleges. All four colleges should use the same forms, form letters and brochures, have the same disbursement dates, have the same basic polices and procedures and have the same philosophy regarding professional judgement issues. This will be even more important for the rotating financial aid administrator to be effective. A student at one school should be able to talk to a student from another school regarding the financial aid process and find that they had very similar if not identical experiences.

The colleges must coordinate timing of letters sent to students as well as the types of letters to prevent the occasion of a student receiving a different letter from multiple colleges.

Each college would continue to verify and package files. However, removing the monotonous processing functions from the colleges will increase productivity, provide greater customer service and expedite the financial aid process. This will also provide the colleges with more time to provide counseling to students both in person and over the telephone, develop programs, participate in outreach and refine on-campus processes and procedures.

A snapshot of the process is as follows:

- Student applies for aid
- ISIR is received by the college
- Student notified if additional information is needed by the college
- Requested information is returned to the college
- Student is packaged by the college
- College electronically sends award information to the District
- District processes applicable aid and schedules disbursement
- District verifies enrollment prior to disbursement
- Disbursement made to student by District

- Reconciliation and reporting completed by District
- All activity reflected on system

The financial aid administrator will manually quality control check 5% of all awards for accuracy. Additionally, a report will be run showing all pending awards. This report will also be reviewed for accuracy. After the quality control check has been completed, the award letters are sent to the students via e-mail. Students with loans will be sent a promissory note as an attachment to complete and return electronically for processing.

Students will be requested to notify the financial aid office via the electronic award letter if he is requesting any changes or would like to decline any part of the award. These revisions and requests will be handled manually.
The award information will be forwarded to the District financial aid office for processing and disbursement.

Implementation of these recommendations will require thoughtful attention to the current employees and culture while keeping focused on the necessary objectives. Additionally, after implementation, regular meetings between the District Financial Aid Office and the College Financial Aid Offices will be essential. It will be important to set up a system wherein each college functions in a uniform manner but retains enough autonomy to fashion a Financial Aid Office that meets the needs of its unique population of students.

These recommendations will require a thorough understanding of the process and a uniform usage of the computer system. It will be imperative for all to have a full knowledge of the process so that as questions from students arise, anyone will be able to answer them. Students should never be referred to the District Financial Aid Office for any reason. In fact, students should not even be aware that processing is taking place off-campus. Each College will be able to access the computer system and know exactly where a student is in the process.

Technology Plan and Processing

The limitations and outdated functionality of the SAFE System coupled with rapid technological advancements make it mandatory that the District consider alternate means by which to process financial aid applicants. Immediate steps toward that end should include:

1. Conduct a thorough assessment and comparison of hardware and software resources for all four financial aid offices and bring all four colleges up to an equal standard. This would include computers, printers, copy machines, fax machines, etc.

2. Each employee should be equipped with a computer, modem, software and printer with the minimum configuration requirements as recommended by the Department of Education. These recommendations are as follows:

   - IBM or fully IBM-compatible PC with a Pentium 800 MHz processor or comparable
   - 128 MB RAM or more
   - 20 GB hard drive or more
   - 56K modem (that meets or is upgradeable to V.90 standard)
   - Windows 95 keyboard
   - Microsoft compatible mouse
   - Laser printer capable of printing on standard paper (81/2 X 11)
   - 24x CD-ROM drive or higher, with sound board
   - 3.5 High-density double-sided diskettes
   - Monitor and video card capable of Super Video Graphics Adapter (SVGA) (800x600) resolution (small fonts only) or higher*
   - 32-bit operating system (Microsoft Windows 98, Microsoft Windows NT 4.0., or Microsoft Windows 2000)

- Internet Service Provider (ISP) that supports 56K modem connection or higher
- Browser requirements: Internet Explorer v4.01 Service Pack 2 or higher; Netscape Navigator v4.73 or higher
- Supported Networks: Windows NT or Novell NetWare

3. Students should be encouraged to apply for financial aid using FAFSA on the Web. There should be a link to FAFSA on the Web on the PCCD and each college Web Site. This will reduce the cost of mailing FAFSAs as well as the need for housing hundreds of boxes of FAFSAs on the campuses.

4. Access should be provided via the World Wide Web for students to view their financial aid award.

5. Award letters and other communication should be sent to students via e-mail rather than regular mail. SAFE should be programmed so that batch electronic letters can be sent just as batch tracking or award letters are currently sent. This will not only significantly reduce postage costs but also increase the speed by which students receive information.

6. All students should be provided with an e-mail address when they register for classes. This can be provided through the school or via Hotmail or similar company. These e-mail addresses can be used to send financial aid communications.

7. Students should be provided e-mail access at various locations on campus, including the financial aid office.

8. Provide student computer kiosks with several computers on each college campus for the sole purpose of applying for financial aid and accessing financial aid information and searching for scholarships. These kiosks should consist of a computer, a secure, private area, a chair and Free Applications for Federal Student Aid (FAFSAs). They should be located in or near the Financial Aid Office. Simple instructions should be provided

for students to complete the FAFSA or access their financial aid award. Student workers could be trained to assist students as needed.

New Financial Aid Processing System

HES understands that PCCD is currently investigating various computer systems for replacing the current mainframe system, including the SAFE Financial Aid Processing module. We recommend that the unique needs of the Financial Aid Offices be heavily considered before making a selection. Additionally, financial aid staff should actively participate in the analysis, review and selection of any new processing system to ensure that the system functionality is sufficient to efficiently process applicants, as well as to ensure that all federal regulatory issues are addressed.

While we are not computer programmers, we have outlined the ideal computer system and have included only functionality that we know is currently available in the marketplace. The system should be web-based and provide students with the capability of accessing their financial aid record 24 hours a day from any location. It should also provide real-time information and access regarding the process from application to disbursement.

It is imperative that the District quickly identifies a supplier and be very precise and deliberate in relaying the District and Financial Aid needs. For financial aid purposes, the system should provide services and functionality as follows:

1. Provide a very short implementation/conversion window. Typical computer conversions take 18 to 36 months to complete. PCCD should insist on an implementation time, including training of less than 12 months.
2. The system should create and update student records both automatically by Institutional Student Information Records (ISIR) download or manually. The system should allow these records to be automatically rolled forward to subsequent year as necessary.
3. The system should allow the loading and posting of ISIRs from the

Federal Central Processing Service (CPS) including correction, viewing of National Student Loan Data System (NSLDS) data, Pell Grant processing, duplicate ISIRs and viewing and printing of all ISIRs directly from the system. This would eliminate the need to ever access the Department of Education's EDExpress Software.

4. Dynamically evaluate student records for required documents and update application status online according to institutional policies. The system should track applications and generate electronic letters requesting documents and be able to determine whether documents are required for packaging or disbursement. The packaging function should exclude student records that do not conform to specific rules.

5. The requested forms should be immediately e-mailed to the student and the student can complete the form on-line and submit it to the school. Sophisticated edits should be built in so students are not allowed to submit incomplete or incorrect documentation. As these forms are returned the system should automatically match the information against what was reported on the FAFSA and generate a report showing what was reported on the FAFSA versus information provided on the form. The financial aid administrator will be able to easily review this information along with other submitted documentation and make any necessary ISIR corrections or inquiries.

6. There are certain forms, such as the 1040, Alien Registration Card, Proof of Selective Service, etc., which must, at this time, still come into the office in paper form. There is talk however, that the Department of Education will soon link to the IRS making receipt of a paper 1040 unnecessary. Until that time, these forms will still be delivered to the Financial Aid Office in paper form.

7. The Federal 1040 Form should be able to be scanned into the system. If the student has a scanner, he may send the scanned document. If he provides the document to the Financial Aid Office they will scan it and the system will make the same comparisons as outlined above. This

information would appear on the same report as previously described. Other necessary received documents will be logged into the computer manually.

8. Calculate student expense budgets online based on individual student characteristics, according to institutional policy. These budget items should be linked to the specific semesters that the student is attending and based on the student's course load. There should be separate Pell Grant and Institutional budget capability.

9. Perform need analysis according to exact Federal methodology specifications from the Department of Education.

10. Create, track and manage an unlimited number of financial aid funds. The system should allow the financial aid office to easily specify eligibility rules, award limits, required documents and special messages to print on student award letters. A running total of award counts and amounts should be maintained.

11. The system should provide automated packaging of student aid awards tailored to specific award rules and eligibility criteria. It should allow for creation of an unlimited number of packaging formulas, fund eligibility rules and provide the option to package students in batch, online or manually. The Federal eligibility criteria (such as for Pell Grant and Stafford Loans) should be built in. The system should also provide a simulation-packaging mode to run various scenarios and adjust parameters as necessary before committing to the outcome.

12. The system should provide a Pell calculation engine using a simple Pell-formula based design that supports all five Pell Grant calculation formulas provided by the Department of Education and give the tools to handle mixed enrollments, award amount rounding in concordance with federal specifications, percent used for transfer students, and alternate Pell calculations. The system should automate Pell reporting and reconciliation for Pell Grant Recipient Financial management System (RFMS) for the Department of Education.

13. The system should streamline the fund disbursement process by automatically scheduling disbursements based on rules associated with the District enrollment periods. It should review student records against Document Tracking rules and perform federal eligibility and Satisfactory Academic Progress checks before generating disbursements. In the case of an award decrease, the system should automatically generate a negative disbursement. It should provide the capability to run disbursement batches for all funds or selected funds and to run in simulation mode.

14. The system should allow for processing of Federal Stafford and PLUS Loan applications so that Common Line format applications can be generated and transmitted to any lender or guarantor. It should also allow for importing of Response Files and Disbursement Rosters.

15. The system should have built in Standard Reports as well as an ad hoc Custom Reports tool so that the Financial Aid Offices can better manage and monitor the aid programs.

Alliances

HES recommends that PCCD cultivate certain alliances. One would be with a local bank with multiple branches. For the use of electronic funds transfer directly into student accounts to be successful and complete, it will be necessary for the District to have an agreement with a bank or banks to perhaps relax some of the their new account policies so that all students may have a checking account into which financial aid funds can be deposited. This will do away with the need for manual checks, the long lines they create and the inconvenience to the student in having to be at the Cashier on a certain day at a certain time. This is another enhancement to customer service.

Students who do not wish to have a bank account would have checks mailed to them by the District.

With Peralta's close proximity to Silicon Valley, Peralta could also form alliances with companies that are on the cutting edge of technology and looking for beta sites. Obviously this would require some scrutiny and management, it would be another means of keeping Peralta close to technology.

Summary

The Peralta Community College District (PCCD) has set a vision of becoming the premiere community college district. With this vision comes the challenge and ability to recognize and respond to change.

We have proposed a paradigm shift in the way PCCD delivers financial aid. Some of our recommendations reflect the inadequacies in the current process and systems as identified in our findings. These include such inadequacies as using unqualified staff to counsel students, inefficient financial aid processes, unacceptable levels of customer service, inadequate technological support and an underdeveloped staff. These all have contributed to a financial aid operation operating at a sub-standard level.

Other recommendations reflect today's trend in the delivery of financial aid. Emphasis on the importance of strong customer service, the use of different channels to deliver service, qualified staff, and convenience to the student, all reflect today's student expectations.

There is an increasing dependency on the use of technology. Peralta must begin to automate its current manual financial aid process. We have recommended implementation of a financial aid program to automate the financial aid process. This will help to reduce costs and increase service to students. Our recommendation of using e-mails to communicate to students, giving students greater access to information via the web instead of having to come to the financial aid office, or a "virtual" financial aid office will increase customer service to students.

We recognize that all of these recommendations, if accepted, will not be implemented immediately. Some can be implemented more easily than others.

Some, such as the centralized processing system and the creation of a District Office of Financial Aid will require further planning and development.

To implement some of these changes may require the resources of those outside the realm of financial aid, specifically where there is technological involvement. It is our understanding that the IT area is involved in a consortium to build a new relational database. As such this will have implications for the implementation of a centralized processing system. Timelines for implementation may be at the discretion of other departments, again where technology is involved.

The recent successful passage of the bond measure, places PCCD in a positive position to give serious consideration to the implementation of our recommendations.

PCCD has failed to keep pace with the changing environment. A continued delay in responding to needed changes will not only put PCCD competitively further behind, but will retard their efforts to become the premiere community college district.