Proposal to Centralize Back Office Financial Aid Functions for the VCCS

Phyllis Milloy, Vice President for Finance, TCC
Jennifer Harpham, Director of Central Financial Aid, TCC
TCC Financial Aid Staff

Central Financial Aid Office
15.25 Full-Time Equivalent Staff

Campus Financial Aid Offices
22.75 Full-Time Equivalent Staff

38 Total Full-Time Equivalent Staff
Structure and Responsibilities

Central Financial Aid Office

- Import FAFSA results
- Determine student eligibility for financial aid
- Manage financial aid packaging process
- Manage official communications
- Complete verification process
- Ensure compliance with Title IV regulations and SAP
- Administer all financial aid programs
- Complete federal and state reports

Campus Financial Aid Offices

- Perform outreach activities
- Educate students about financial aid opportunities
- Advise and counsel students
- Collaborate with other departments
- Review and scan documents to Central for processing
- Manage scholarship applications and selection process
- Manage campus Federal Work Study program
Tidewater Community College
Financial Aid
FY2006-2010

*Total annual financial aid & scholarships in millions

**Percentage of students on financial aid

Federal Grants
Federal Loans
State Grants
Scholarships
Other Aid Sources

FY05-06
FY06-07
FY07-08
FY08-09
FY09-10

$28.4*
$32.7*
$43.3*
$56.8*
$86.4*

28%**
31%**
33%**
39%**
45%**

*Total annual financial aid & scholarships in millions

**Percentage of students on financial aid
Financial Aid Application and Awarding Process

Students are educated about financial aid opportunities through campus efforts.

Students complete the Free Application for Federal Student Aid (FAFSA) online.

Central Financial Aid imports FAFSA results into People Soft and confirms eligibility.

Central Financial Aid performs the packaging process to award aid.

Students receive Financial Aid Award Notices

Students are notified of additional information needed.

Students work with campus staff to provide documents and complete the application process.

Campus staff scan required documents to the Central Financial Aid Office for review.

Central Financial Aid completes the review of documents.

Central Financial Aid performs the packaging process to award aid.

Students receive Financial Aid Award Notices
Centralizing “Back-Office” Functions of Financial Aid

• Provide greater individualized service to students

• Improve student affordability and access

• Allow college personnel to focus their time and resources on counseling and assisting students with navigating the financial aid process
Implementation Strategies

• Assemble a team of college and system office staff to provide suggestions on which back office functions should be centralized.

• Use the feedback from this team to determine a final model for centralizing back office functions at a Central Financial Aid Office located at TCC.

• Task the VCCS Financial Aid Workgroup with developing a standard financial aid packaging plan for the system. This group should also develop standard communication pieces that will be sent to students from the Central Financial Aid Office but include the college’s contact information.

• Implement a system-wide document imaging system.
Estimated Timeline for Implementation

- **VCCS approval**
- **MOU’s between colleges and TCC are executed**
- **Financial aid team agrees on centralized functions and standard packaging plan**
- **Implement document imaging**
- **Hire staff for central processing**
- **Train central processing staff**
- **Train college staff on document imaging system**
- **Begin centralized processing functions for the 2012-13 aid year**

<table>
<thead>
<tr>
<th>SEPT 2010</th>
<th>OCT-DEC</th>
<th>JAN</th>
<th>FEB</th>
<th>MAR</th>
<th>APR</th>
<th>MAY</th>
<th>JUN</th>
<th>JUL</th>
<th>AUG</th>
<th>SEPT</th>
<th>OCT</th>
<th>NOV</th>
<th>DEC</th>
<th>JAN 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
It is estimated that a centralized financial aid function, excluding student loan processing, will cost $11 per ISIR (electronic results of a FAFSA). This covers staffing, lease costs, and IT System Maintenance.

Adding student loan processing will cost an additional $21 per loan.

Example: A college which currently has 5,000 ISIRs would pay $55,000; adding 500 student loans would result in a total cost of $65,500. In comparison, if that same college added 500 full-time, financial aid qualified students to its headcount because of an improved, faster process, the additional tuition gained could be as much as $600,000 to $900,000.

One-time costs include $1.1 million for a system-wide document imaging system and approximately $200,000 for equipment and furnishings.
Questions?