



ALABAMA ASSOCIATION OF FINANCIAL AID ADMINISTRATORS

AASFAA Newsletter

www.aasfaaonline.org

Spring 2008 Edition, April 1, 2008

PRESIDENT'S REPORT

by Ben Baker, President 2007-2008



It's hard to believe that this year is almost over! I would like to thank each of you for the opportunity to work with so many wonderful AASFAA members this year. I never imagined how rewarding this year would have been for me a year ago, and I strongly encourage the AASFAA members to get involved and

experience what many of us have had the opportunity to experience. I am fortunate to have the dedication of the elected officers and committee chairs, and I want to thank you for making this year successful.

My thanks to President-Elect Charles Markle, Program Committee Chair Melody Caldwell, and Local Arrangements Chair Tammy Spratlin for ensuring a successful Fall Conference held in Auburn, Alabama on October 10-12, 2007. Vice President Andy Weaver and Suzanne Bush did an outstanding job with the New Aid Officer's Workshop at the conference. Heather Boutell, SASFAA President-elect, presented a very informative and inspiring program on *Ethics in the Financial Aid Profession*. We were also delighted to have Kay Ivey, Alabama State Treasurer, provide a luncheon address at which she spoke on the benefits of college savings plans and the tax benefits due to contributors of such plans. At the General Business Session, the AASFAA membership adopted a code of ethics, a statement of ethical principles, a mission statement, and approved two bylaws changes.

The NASFAA Fall Training Workshop on *Counseling Students and Families: Tackling Financial Issues* was conducted by Vice President Andy Weaver on Friday, November 30, 2007 at Huntingdon College in Montgomery, Alabama. The session was attended by about 45 persons.

A special ad hoc committee chaired by Buddy Jackson, Financial Aid Director at Faulkner University, has completed its work on a new exhibitor/sponsor policy. The committee submitted a proposal for a new policy for an exhibitor fee for those persons or companies wishing to exhibit at AASFAA events. The AASFAA Executive Board met in a special called meeting on Friday, February 8, 2008 to consider the proposal. The board voted to adopt the new policy effective immediately.

A delegation of AASFAA officers and members traveled to the Alabama State Capitol on February 8, 2008 to witness Governor Bob Riley proclaim February 2008 as Financial Aid Awareness month in Alabama. Those witnessing Governor Riley sign the proclamation included President Ben J. Baker, Vice President Andy Weaver, President-elect Charles Markle, Treasurer Phillip Nelson, Secretary Ann Little, Treasurer-elect Ann Campbell, Vendor Sponsor Coordinator Lora Kiser, and Policy and Procedure Chairman Bill Wall.

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I attended the SASFAA Conference on February 17-20, 2008, in Crystal City, Virginia. AASFAA had 35 members that were able to attend the conference. The Conference Committee did an excellent job providing us with a variety of sessions. AASFAA had several members that were on the Conference Committee, and I would like to thank you for volunteering.

President-elect Charles Markle and I had the opportunity to visit in the offices of 4 members of the Alabama Congressional delegation on Tuesday afternoon, February 19, 2008. The purpose of our visits was to encourage our Congressional Representatives to support the funding of various Federal Aid programs in higher education. Charles and I were able to visit with the following legislative assistants: Matt Weinstein in Mike Rogers' Office (3rd Dist); John Perry in Terry Everett's Office (2nd Dist); Harrison Moore in Bud Cramer's Office (5th Dist), and, Luke Strange in Jo Bonner's Office (1st Dist).

Our Conference Committee met on February 8, 2008 to discuss ideas for the upcoming Spring Conference to be held April 9 - 11, 2008 at the Perdido Beach Resort in Orange Beach, Alabama. The theme for AASFAA's 40th anniversary conference is "Embracing Ethical Standards and Celebrating 40 Years of Serving

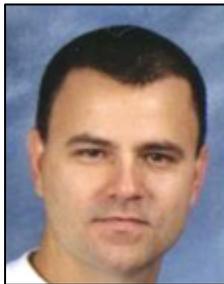
Students." An invitation has been extended to all former AASFAA Presidents to attend the banquet on Thursday evening, April 10. Special feature guests attending the gala affair include SASFAA President Lianne Masterson and Kentucky State President Bryan Erslan. The conference agenda includes a New Aid Officer's Workshop, 3 sessions by Marianna Deeken from the U. S. Dept of Education, a SASFAA Update by Lianne Masterson, and other interest sessions. You can view the tentative agenda as well as other conference information on our new website at http://www.aasfaaonline.org/docs/toc_conferences.html.

Jonna Gibson, Past President, has finalized the slate of candidates for AASFAA elected office for 2008-2009. Their biographies are posted on the AASFAA website for review by AASFAA members eligible to vote in the Spring 2008 election. My thanks to Jonna for arranging a strong slate of candidates for the AASFAA elected offices.

I hope to see you in Orange Beach!

VICE PRESIDENT'S REPORT

by Andy Weaver, Vice President 2007-2008



This year was a particularly busy year for the AASFAA Professional Development Committee. With the advent of CCRA, TEACH Grant and significant issues related to student loans, there has been a tremendous amount of information to absorb and incorporate into our administrative procedures. In addition, there are quite a few new faces in the profession and the New Aid Officers' Workshops have been consistently well attended.

The 2007 NASFAA decentralized training took place in Montgomery and focused on ethics in the profession as well as updates on recent regulatory changes. The curriculum also placed particular emphasis on recognizing generational characteristics and developing strategies for effectively servicing a diverse range of constituencies. Thanks to Tommy Dismukes

and Huntingdon College for hosting us, and to Ann Campbell and Lissa Powell for their help in presenting the information. As always, NASFAA provided a great curriculum and hopefully everyone took something back to their offices they can use. It is worth mentioning that the material for this workshop is fairly expensive and is paid for by AASFAA, but is well worth the expense. I encourage everyone to attend these training sessions in the future.

The Fall New Aid Officer's Workshop was held at the conference in Auburn and was a great success with over twenty new aid administrators in attendance. Thanks to Suzanne Bush for sharing her knowledge and professionalism with the group. Spring's workshop is scheduled for April 9 at the conference in Orange Beach. Remember that pre-registration is required and lunch will be provided. To register, email me at Andrew.Weaver@uah.edu.

PAST PRESIDENT'S REPORT

by Jonna Gibson, Past President 2007-2008



The Nominations and Elections Committee is pleased to present the following candidates for AASFAA office for 2008-2009 year:

President Elect: Andy Weaver
University of Alabama Huntsville

Vice President: Phillip Nelson
Auburn University

Sharon Williams
Lawson State Community College

Secretary: Wanda Bass
Lurleen B Wallace Community College

Lora Kiser
KHEAA

Treasurer Elect: Kevin Ammons
Enterprise-Ozark Community College

Christy Bulger
Reid State Technical College

A statement of candidacy and a picture of each candidate are posted on the AASFAA website at www.aasfaaonline.org/Vote/memGenElect.html. On-line voting will open April 1, 2008 and close on April 10, 2008 @ 2:00 p.m.

Please plan to attend the AASFAA business meeting on Wednesday April 9, 2008 to hear each candidate give a brief speech regarding his or her statement of candidacy.

See you in Orange Beach!!

SCHOLARSHIP COMMITTEE REPORT

by Dr. William Wall, Committee Chair 2007-2008



Packets have been prepared to distribute to financial aid administrators from institutions selected to receive our AASFAA Legacy Scholarships next year.

During registration, the names of attendees from Alabama colleges and universities represented at the Spring AASFAA conference will be placed in a container for institutional names to be drawn for scholarship awards.

A total of five institutions will be selected from that drawing and the names of the institutional

representatives will be announced at the banquet. Each institution selected will receive from AASFAA a \$1000 check for a student awarded one of our Legacy Scholarships in honor or memory of an AASFAA member. The recipient will be selected by the financial aid administrator at the institution selected.

Each scholarship recipient will receive an envelope containing a congratulatory letter from AASFAA and a copy of our Legacy Scholarship brochure.

Because of reduced income to the association this year, the Scholarship Committee is recommending to the Executive Board that the association not award the ten additional membership scholarships that were awarded last year.

POLICY AND PROCEDURE COMMITTEE REPORT

by Dr. William Wall, Committee Chair 2007-2008



The Policy and Procedure Manual continues to be a work in progress as changes occur in the operation and services of the association. Included in this report are a number of additions and revisions made to the manual in the last 18 months. Because of the length of this report (35 pages), I will transmit it electronically.

I have reviewed again the entire text of the manual and bring to your attention seven specific areas:

1. **The addition of job expectations for each of the elected officers.** These additions were provided by previous officers – Buddy Jackson, Jonna Gibson, Chip Quisenberry, Ben Baker, Charles Markle, and Wanda Bass. Addition of job expectations for President, President-Elect, Vice President, Secretary, and Treasurer need to be added.
2. **Provision for electronic voting.** I have already revised the Manual to allow for electronic voting.
3. **Consistency with the By-Laws.** Previous revisions to the Bylaws should reflect the changes already incorporated in the Policy and Procedure Manual.
4. **Addition of attachments to the Manual.** The following items should be included as attachments to the Manual:
 - Articles of Incorporation filed in Shelby County – Attachment 12.1 (*Hopefully, this scanned document will be added soon.*)
 - Minutes of the first Annual Meeting – Attachment 2.0 (*Hopefully, this scanned document will be added soon.*)
 - Roster of members attending first Annual Meeting – Attachment 2.0 (*Hopefully, this scanned document will be added soon.*)
 - Scholarship Selection Procedures – Attachment 6.19.1 (*Included in my report to the Board.*)

- Scholarship Notification to Financial Aid Administrator – Attachment 6.19.2.a. (*Included in my report to the Board.*)
 - Shirley Speer Scholarship letter to recipient – Attachment 6.19.2.b (*Included in my report to the Board.*)
 - Floyd Johnston Scholarship letter to recipient – Attachment 6.19.2.c. (*Included in my report to the Board.*)
 - Bill Gentry Scholarship letter to recipient – Attachment 6.19.2.d. (*Included in my report to the Board.*)
 - Theresa Duke Scholarship letter to recipient – Attachment 6.19.2.e. (*Included in my report to the Board.*)
 - William H. Wall Scholarship letter to recipient – Attachment 6.19.2.f. (*Included in my report to the Board.*)
 - Sample scholarship invoice – Attachment 6.19.3. (*Included in my report to the Board.*)
5. **Revised vendor, sponsor, and advertising policies added:** The following changes to the Manual were made:
 - New advertising rates posted in section 8.4 of the Manual
 - New vendor and sponsor policies and rates included in Chapter 11
 6. **Listings in Chapter 12 updated:** Additions were made in the following categories:
 - Past presidents
 - M. Cecil Padgett Outstanding Achievement Award
 - John H. Buchanan, Jr. Distinguished Service Award
 7. **Addition of new statements and code added to Chapter 2:** The following items, approved by the Board were added:
 - Mission and Values
 - Statement of Ethical Principles
 - Code of Ethical Conduct

AASFAA NEWS

by Dr. William Wall

Governor Issues Proclamation Declaring Financial Aid Awareness Month in Alabama

A delegation of AASFAA officers and members witnessed Governor Bob Riley proclaim February 2008 as Financial Aid Awareness Month in Alabama. Held in the old Archives Room of the State Capitol, the signing ceremony was done on January 18, 2008.

You may view a copy of the proclamation at http://governorpress.alabama.gov/pr/proc-2008-01-18-financial_aid.asp.

AASFAA's 40th Anniversary Celebration

Be sure to come to the 40th Anniversary celebration banquet of the Alabama Association of Student Financial Aid Administrators at the Spring Conference at the Perdido Beach Resort. We made a special effort this year to invite all the living past presidents of the association to join with us in celebrating our four decades of serving students in Alabama.

Back in 1968, colleges and universities were learning how to administer the new National Defense Education Loans (designed primarily for students planning to become teachers), the new College Work-Study Program, and Educational Opportunity Grants. Also on the horizon was a new Federal Insured Student Loan for students from middle income (\$15,000 a year) families. There were a lot of new financial aid rules to learn and new financial aid staff members to be trained.

Three years earlier, a group of financial aid administrators from nine southeastern states – mostly folks in student affairs and student services offices, met for the first time in Atlanta for the first conference of the Southern Association of Student Financial Aid Administrators at the All American Inn and Jim Carr of the Florida Board of Regents served as first president.

Financial aid administrators in Alabama saw the need for a state association to assist colleagues in dealing with all the issues of the new profession. Under the leadership of Otis Peacock (Florence State University), Don Gibson (Troy State University), and Linda Knowles (University of Montevallo), AASFAA was organized and

held its first conference at the old Whitley Hotel in downtown Montgomery.

When AASFAA was organized, there were many challenges faced by financial aid administrators:

- Except for the institutional scholarship and student employment programs, all student aid programs were relatively new,
- Few financial aid administrators had any professional training in student aid,
- Need analysis was performed by need analysis services, ACT and CSS, and students had to pay a fee to determine financial need,
- Financial aid administrators learned how to do manual "need analysis," a 20- 30-minute process requiring the use of several tables (income protection allowance, asset protection allowance, etc.)
- There were no computer processing systems; award processing was done by hand,
- Award letters were typed and mailed to students who were required to return acceptance letters.

Through AASFAA, financial aid administrators

- network with fellow professionals in Alabama,
- participate in new aid officer training to provide the training and skills needed to perform their jobs,
- learn professional leadership skills that provide opportunities for advancement in their profession,
- serve as mentors for other aid officers in the profession.

Although there have been many operational changes in the student aid delivery process, AASFAA serves as the professional landmark for student aid administrators in Alabama.

AASFAA Booth at the Spring Conference

Please be sure to stop by and visit the AASFAA booth located in the Vendor Area at the Spring Conference. Many items will be on display at the booth aiding in the celebration of AASFAA's 40th Anniversary.

PROFESSIONAL DEVELOPMENT

by Mona Ghuman, Michael Ryan, and Leonard Gude

Here We Go Again!

Here we go again. It's the story of my life. Every time I try to get through to this particular individual, I feel as though I'm wasting my time. I just don't think she gets it and I feel like I'm never going to get through to her. Have you ever felt this way? How many times have you said, "She never pays attention to me!" Or "He's so difficult to talk to!" Or even "I've tried too many times to get through to her, now I'm just going to give up!" Sometimes it's easy to ignore these feelings because we really don't know what to do about it. But wouldn't it be better if the problem could be fixed? Think about why communication is so important. It's an essential skill we all need in every type of relationship whether it's at work or at home. Now ask yourself...do you have the necessary tools to know what really is occurring in these difficult communication situations? Most of us don't because we really never learned about this in school. Sure, we may have taken Public Speaking 101 as a freshman in high school or college. But how many of you majored in communication skills or even took a class in communication skills? Exactly, many of us haven't. And the difficult part is, a communication strategy that worked with one individual may not necessarily work with another individual. We're all different from one another and tend to respond in many different ways when approached with the same situation. However, there are models out there that can help us understand these differences!

There are four primary behavioral styles that we are categorized in. *Get It Right*, *Get it Done*, *Get Appreciated*, and *Get Along*. Let's go over each style's characteristics and effective behaviors to better identify what to do when dealing with different communication styles.

Get It Right individuals are those people who's focus is strictly on tasks and "getting it right". They're the type of people who always want perfection and will do everything possible to avoid making a mistake. In other words, *Get It Right* individuals are extremely detail oriented. Have you ever come across someone who will continue to proofread something over and over again? At times I feel like yanking the paper out of their grasp and yelling "Stop already!" It's up to us to understand that perfection is what motivates them. They're also the type of individual who will ask those questions you and I would never think of. Try to understand that they are not doing this to annoy or challenge you. Instead, they need this information to help them make the correct decision. Lastly, they tend to communicate indirectly yet using lots of detail. For example, the other day I ran into my neighbor and asked her how things are going. Honestly, I would have been happy with "I'm doing ok" rather than hearing

her dilemma with her ingrown toenail problem. But this is just the way *Get It Rights* communicate. They don't want to leave a single detail out. A few techniques that might help you communicate better with these individuals would be to explain "why" something is important. Openly provide them with enough information, otherwise be prepared to answer lots of questions! Also, don't rush them into making a decision. They like to take all the details they know about a situation and accurately figure out the best solution. Additionally, speak to a *Get It Right* in a low-key objective manner. Use facts, logic and structure rather than emotions. Lastly, avoid losing your temper with these individuals. Being too aggressive may cause these individuals to become silent, withdraw, flee or even show signs of negative behavior.

Get It Done individuals are those who also focus on tasks but intend on "getting it done". They tend to be focused, direct and very blunt. For example, my sister falls under this category. If you have lipstick smudged on your teeth, she will not be afraid to let you know. The *Get It Done* individual will tell it like it is! They also are the type that needs to be in control. If they sense a problem exists, they will quickly take over and try to resolve it. Don't be surprised if they do this before they even fully understand the actual problem! Unlike the *Get It Right's*, these individuals make quick decisions and are extremely fast paced. This is an area where a *Get It Right* and *Get It Done* might find it difficult to work with one another. Lastly, if a *Get It Done* makes a mistake they will admit to it if they truly believe they really did make a mistake. And then they will try to solve it and move on to the next challenge. If you find it difficult to effectively communicate with a *Get It Done* try being direct and to the point when talking. Tell them what you really think or feel instead of beating around the bush. I used to have a college professor who would take a whole minute to say 5 words. At times I would leave for a bathroom break, come back, and he would still be contemplating on the same idea. I felt like reaching into his brain and forcing the words out! So, be fast paced with your tempo. *Get It Done's* tend to get extremely impatient if you talk or work too slowly. Also, try to communicate with these individuals without using a lot of detail. And next time you receive an email response that only consists of two sentences after you wrote an entire story...try not to get upset! *Get It Done* people are quick, direct and get right to the point!

Get Appreciated individuals are those whose focus is on people and intend on "getting appreciated" and liked by others. A couple of days ago I received an email from a friend and the entire email was full of smiley faces, exclamation points, exaggerations on certain words, and every other email feature I find

annoying. I could almost imagine her sitting in front of me telling me her animated story! A *Get Appreciated* individual tends to communicate in an extremely animated and expressive manner. Furthermore, they are the best talkers. Have you ever met someone who could strike up a conversation anywhere, anyplace, at any time, and with just about anyone? Yes, those are definitely the *Get Appreciated* individuals. Because of this charm they possess, they can convince almost anyone to do anything they want. Even though these individuals seem so pleasant, at times we can find it challenging to understand them. When communicating with these individuals, try to be animated and upbeat. If not, they might get bored and disconnect easily. And if you just spent 5 minutes going over something with a *Get It Done* or a *Get It Right*, take a guess how much time you will need with a *Get Appreciated*. That's right! As much time as they can pull out of you! So leave lots of time to talk about things. And lastly, unlike the previous two styles, show and express your emotions when speaking to these individuals. Since they communicate more with emotions, you may have to praise them as often as you can. Even if it's a quick "great job", they'll appreciate what ever they can get!

Get Along individuals also focus on people, but they intend on "getting along" and maintaining harmony and peace amongst their environment. They behave in a very helpful, caring and friendly manner. You may find a *Get Appreciated* and *Get Along* become very good friends. I remember when I was in 3rd grade, the girl who sat in front of me (Erin) would turn to her neighbor (Jenna) and talk and talk and talk. Jenna would just smile and nod. I always felt like tapping Erin on the shoulder and asking her to quiet down, but I would get so caught up in her stories too! The thing is, a *Get Along* is the best listener! They get motivated by being able to help others or even serve others. Maybe this was Jenna's way of showing she cares. However, when communicating with a *Get Along*, try to approach them with a steady manner. They get extremely uncomfortable with conflict and will shy away from it. Also, be consistent and with what you expect of them. Too many abrupt turns that don't seem planned will annoy and possibly even confuse them. Have you ever met someone who says "yes" to just about everything? Help them be realistic and honest about what they can and can not do because they will agree to just about anything just so everyone gets along. Lastly, asking a *Get Along* to make a decision is like trying to get a German Shepard to stop barking at strangers. It probably won't happen! Try to understand why they are always afraid of someone not being happy with a decision and help them overcome this concern!

Some of you may have read through these four behaviors and found you fall in more than one category. We can all operate in all four behaviors, but we tend to be comfortable in one or maybe even two of the styles. The idea is to know not only your communication style, but also the style of the person you are communicating with. Then taking what you know about both styles and learning to adjust how you communicate in order to be effective.

Mona Ghuman is a Client Training Manager with Citibank - The Student Loan Corporation. She regularly presents Professional Development seminars for Financial Aid Offices and Conferences across the country.

Separation Anxiety: Keeping Separated Students out of Delinquency

Now that the spring semester is in full swing, financial aid professionals face a stark truth: Some students have chosen not to return after the winter break, despite not having finished their degrees. And these "separated" students will be at a particularly high risk for delinquency and default.

The reasons why students leave school are as varied as the students themselves. They may be having trouble handling the cost of tuition and living expenses. Some are overwhelmed by the academic challenges they have encountered. Others will be facing personal, family, or health crises that need their full attention. And still others will simply be feeling uncertain about whether higher education fits in with their goals.

In the meantime, while these students try to figure out the next step in their personal and professional lives, time ticks on for their loans. I can't help but wonder: Did these students notify the registrar, the financial aid office, and their lenders that they were leaving school? Do they know their grace periods before repayment are finite and non-renewable? Are they prepared for the start of the impending repayment period? And do they know about the options—both for repayment and deferments or forbearances—available to help them?

Fortunately, there's a lot we in the financial aid industry can do to help. Research performed by American Student Assistance® shows that separated students who received customized guidance on loan repayment were 27 percent less likely to become delinquent on their loans. That's not a bad start, but there's still room to ponder what these students need from us to stay on a healthy financial track.

It seems to me that there are four big questions to consider about this population:

Question 1: Are these students even thinking about their loans? Probably not. That's definitely an area in which the intervention of the financial aid community can help—and possibly nudge them to call their financial aid office, guarantor or lender for some individualized counseling.

Question 2: Do these students have a plan for reentering school or beginning repayment? And does that plan take into consideration the six-month grace period for most federal loans? For instance, a student who starts a temporary separation from school at the conclusion of the fall semester would reach the end of his or her grace period before the next fall semester begins in approximately eight months. To avoid getting surprised by a loan bill he or she can't pay, this student

may need to request a deferment or forbearance unless planning to enroll for summer classes at more than half-time status.

Question 3: Do they realize the long-term financial consequences of leaving school without a degree?

According to the U.S. Bureau of Labor Statistics, 3.9% of students who attended some college without achieving a degree are currently unemployed, and their median weekly earnings come to \$674. In contrast, only 2.3% of people who finish their bachelor's degree are currently unemployed, and their median weekly earnings rise to \$962—a difference of about \$1,200 a month! When students understand that they're still responsible for repaying their loans, even if they didn't finish a degree, they may give higher education a second look. After all, an average of \$1,200 more in earnings each month may make the task of repaying their loans much less daunting.

Question 4: Do they know how to get back on track?

Whether these students are reentering school or beginning a repayment plan, they need to follow all the right steps to avoid loan trouble. That's where the financial aid community can help, providing this population with checklists based on their choice to return to or permanently leave school. And this is an area where we all can and should get actively involved, so that no one trying to handle their education loans in good faith gets bedeviled by the details into delinquency or default.

Michael Ryan is Vice President of Borrower Services for FFELP guarantor American Student Assistance, where he oversees all aspects of the management and delivery of service to borrowers in ASA's education loan portfolio, including all default prevention efforts. If you're interested in learning more about this topic, contact your local ASA representative, Joanie Walker, at jwalker@amsa.com.

Expanding the Role of the Financial Aid Officer

Education

Financial aid officers at colleges and universities across the country are becoming an increasingly important part of the institutions they serve. It wasn't always that way. During my 30 years in higher education - including my position as a university financial aid administrator (FAA) - I observed that at many institutions the FAAs work in something of a silo and are excluded from the strategic planning process of the institution.

Amazingly, the part of the financial structure of the institution that most directly touches students and families - one that could be a powerful force for success - was operating essentially on its own. With limited tools and only sporadic participation in the strategic planning process, there was a serious disconnect between the financial aid office and the other economic centers of the institution.

New technology becomes a powerful tool for financial aid officers

Hopefully, those days are over or, at least, they are fast coming to a close. The trend today is that, at many institutions, the financial aid office has become a much more important part of the overall financial strategy of the institution in ways that might surprise even veteran aid administrators. FAAs are taking on a higher profile role. One significant reason is that new innovative tools, using the latest technology, now enable the financial aid office to track and report key performance information in real-time. They also - for the first time - allow these metrics to be shared instantly with senior administrators within an institution. These new tools enable greater accuracy, access, speed and accountability.

The effects? Financial aid has become 1) a stronger recruitment tool that can act more quickly in the application process to attract top students who might otherwise go elsewhere, 2) a more service-oriented system with technology doing much of the administrative grunt work and enabling financial aid officers to devote more of their time to interacting directly with students and families, 3) a means for retention of students who would otherwise leave for financial reasons,

4) a better fiscal management system and 5) a more successful way to handle compliance and audits.

Financial aid plays a bigger role today than ever before. In 1993, \$41.9 billion in student aid was awarded, 75% of it in federal funds. Today, that figure has increased to \$200 billion with nearly two thirds of students getting some form of assistance. This underscores the important role that financial aid plays in the decision-making process of America's top high school students as they search for the right fit in a college or university. According to the National Center for Education Statistics (NCES), the percentages of students receiving assistance at various types of colleges are:

- Two-Year Public Colleges: 46.8%
- Four-Year Public Colleges and Universities: 68.6%
- Four-Year Private Colleges and Universities: 83.3%
- Private, for Profit (Proprietary) Institutions: 89.9%
- Total (All Institutional Types): 63.2%

Here are the five primary ways in which technology has increased the importance of the financial aid officer and how those officers, in turn, help their institutions to a far greater extent than ever before:

Recruitment

Research has shown that increasing the number of contacts with prospective students increases the likelihood of their enrolling at your institution. While the admissions office may contact a prospective student three or four times during the decision process, the financial aid office does so even more frequently. Some financial aid management systems enable institutions to correspond via mail and electronically

with prospective students and parents at home and at multiple email addresses at the same time.

Responding quickly has become another important aspect of the admissions process. By automating the application processing and communications processes, the financial aid office increases its efficiency and effectively in reaching students early and quickly. Staying in front of the students, at the appropriate intervals, reminds them that the institution is truly interested in them, and ultimately improves the yield for the institution.

Quality Student Service

An important component of success is quality student service. FAAs can make a good impression on students and parents - by being available, responsive, and helpful. Technology is automating many of the rote but necessary administrative chores in the aid office. Financial aid management solutions can help institutions by automating key processes, such as tracking, packaging, awarding, communicating, reporting, and disbursing of funds. Less time entering data and creating reports means that the staff can devote more time interacting (face-to-face and on the phone) with students and their parents.

Retention

Slow awarding and delivery of funds due to a poor data management system in a financial aid office can often result in students failing to continue enrollment at the institution. For example, if students do not know how much aid that they will receive, they may elect not to register for classes. If they have not received funds necessary to purchase books, pay housing, meal and transportation costs, they may withdraw from classes. This can be costly in several ways. First, the institution loses enrollment funding. Second, if the student withdraws before 60% of the term has ended; a portion of federal aid may have to be returned resulting in a receivable for the student. Both the student and the institution lose. The use of newer technology enables the FAA to speed up the awarding and aid disbursement processes. Students get their money on time, pay their tuition on time and are less apt to leave.

Sound Fiscal Management

Enrollment optimization is a strategic imperative for every institution. Financial aid plays a key role in the realization of this goal. At many institutions, funding is contingent upon enrollments. If an institution can't process financial aid in a timely manner, it won't be able to maximize enrollment at the beginning of a term. Even if students have a firm promise for tuition deferments, they are uncertain as to whether they will have money for books and their other educationally related expenses. Consequently, they may enroll only part time (if at all) as a result -- thus the institution's enrollment and/or FTE count goes down costing the institution money that it would otherwise have received.

Also, any delay in receipt of funds for payment of tuition and other institutional charges negatively impacts the cash flow of the institution. Once again,

the use of newer technology to speed up the awarding and aid disbursement processes can improve both cash flow and revenue of the institution.

Compliance and Audits

In this day of ever-changing federal regulations, accountability and compliance have gained increasing importance. Major mistakes discovered during financial aid audits could result in institutions to have to repay millions of dollars. Security, controls and safeguards embedded in the modern financial aid management system can help institutions avoid them. These controls significantly reduce the incidence of mistakes, and when they do occur, lessen the negative impact on the institution.

The use of modern technology tools breed confidence throughout an institution and have made the role of the financial aid officer more important than ever. With compliance and regulatory pressures abound, higher education institutions are demanding solutions that provide seamless toolsets for managing all the mission critical functions for Title IV delivery. Additionally, they are seeking toolsets that will assist them in achieving operational excellence. By adopting a powerful software solution, the financial aid office may change its perceived role from a back office administrative function to a front line strategic initiative.

Leonard Gude is Vice President of Financial Aid Solutions at Regent Education.

UPCOMING EVENTS

AASFAA Spring 2008 Conference ----- Perdido Beach Resort, Orange Beach, AL	April 8-11, 2008
AASFAA Fall 2008 Conference ----- Marriott Shoals Hotel, Florence, AL	Oct. 14- 17, 2008
NASFAA Annual Conference ----- Dolphin Resort, Orlando, FL	July 6-9, 2008
AASFAA Spring 2009 Conference ----- Perdido Beach Resort, Orange Beach, AL	April 7-10, 2009