

PERALTA COMMUNITY COLLEGE DISTRICT
Board of Trustees Agenda Report
For the Trustee Meeting Date of October 28, 2008

ITEM #7

ITEM TITLE: *(Please define the subject; e.g., change order – Berkeley City College)*

Consider approval of a contract extension with the Evans Consulting Group for Financial Aid processing support (Scope of Work 1) and for a contract to conduct an assessment of the district's overall financial aid operations (Scope of Work 2).

SPECIFIC BOARD ACTION REQUESTED:

The approval of continued contract work with Evans Consulting to provide a review of the financial aid processes for PCCD at Laney, Merritt, Berkeley, and Alameda campuses.

ITEM SUMMARY: *(PLEASE DISCUSS THIS ITEM)*

Scope of Work 1: At the October 14, 2008 Board meeting, a contract with Evans Consulting was approved to provide leadership and maintain a plan to expedite the disbursement of funds to a significant backlog of students whose financial aid applications have not been fully processed for the current fiscal award year (2008-09). The total contract amount was approved for \$35,756.40. This amount is a weekly rate. Evans consulting has been very helpful and it is critical that the District have them continue at least for an additional week. At this time, the District would like to request an additional \$50,000.00 to complete this contract.

Scope of Work 2: The goal of the review is to assess how to streamline processes, while increasing the automation capabilities housed within Regent Diamond (software). Perform an analysis of the organizational structure and staffing for the financial aid operations at Peralta. Emphasis will be placed on assessing the strengths and weaknesses of having coordinated versus decentralized control for the processing functions, and evaluating ways to improve internal controls and service to students. Review the current approach for administering federal and state financial aid policies and procedures; complete a general review of compliance requirements in the financial aid programs. The total contract amount shall not exceed \$64,665.30.

BACKGROUND/ANALYSIS:

ALTERNATIVES/OPTIONS:

EVALUATION AND RECOMMENDED ACTION: The Chancellor recommends approval.

SOURCE OF FUNDS (AND FISCAL/BUDGETARY IMPACT):

Measure A: "Classrooms and facilities to enhance the community outreach capabilities of the District among the numerous ethnic communities living in and served by the District."

OTHER DEPARTMENTS IMPACTED BY THIS ACTION (E.G. INFORMATION TECHNOLOGY):

YES X NO

COMMENTS:

This project is a joint effort between the Finance, Admissions and Records, and Information Technology departments.

WHO WILL BE PRESENTING THIS ITEM AT THE BOARD MEETING?

Thomas Smith, Vice Chancellor for Finance and Administration

PLEASE ACQUIRE SIGNATURES IN THIS ORDER:

DOCUMENT PREPARED BY:

Prepared by: _____ Date: _____
Thomas Smith, Vice Chancellor for Finance and Administration

DOCUMENT PRESENTED BY:

Prepared by: _____ Date: _____
Thomas Smith, Vice Chancellor for Finance and Administration

FINANCE DEPARTMENT REVIEW

Finance review required Finance review *not* required

If Finance review is required, determination is: Approved Not Approved

If not approved, please give reason: _____

Signature: Thomas Smith Date: 10.21.08
Thomas Smith, Vice Chancellor for Finance and Administration

GENERAL COUNSEL (Legality and Format/adherence to Education Codes):

Legal review required Legal review *not* required

If Legal review is required, determination is: Approved Not Approved

Signature: Thuy T. Nguyen Date: 10/21/08
(Note: as continued rollout plan)
Thuy T. Nguyen, General Counsel

CHANCELLOR'S OFFICE APPROVAL

Approved, and Place on Agenda Not Approved, but Place on Agenda

Signature: Elihu Harris Date: _____
Elihu Harris, Chancellor

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INTRODUCTION

The Peralta Community College District (Peralta) seeks to engage The Evans Consulting Group, Inc. (ECG) for professional services. These services are to include business process management and processing support for financial aid operations. The scope, objectives, and approach for this statement of work (SOW) are detailed below.

OBJECTIVES AND SCOPE

The objectives and scope of this work plan include the following:

- Provide leadership and maintain a plan to expedite the disbursement of funds to a significant backlog of students whose financial aid applications have not been fully processed for the current (2008-2009) award year.
- Provide processing support to execute the aforementioned plan, and provide means to communicate progress to the college.

APPROACH

We will perform the following tasks in order to accomplish the objectives indicated above. During completion of each of these tasks, we will keep you informed on the status of our work as well as other issues that may become known in the course of performing this work.

1. **Provide leadership and maintain a plan to expedite the disbursement of funds to a significant backlog of students whose financial aid applications have not been fully processed for the current (2008-2009) award year.**
 - 1.1. ECG will operate with respect to the special situation that the college is in with attention to the urgency to process 2008-2009 financial aid applications. Although efforts will be made to implement best practices, the driving objective will be to reduce the backlog as quickly as possible with available resources, and within the risk tolerance defined by Peralta. Accordingly, methods adopted to address the backlog may not be those we would deem best, long-term practices. Any significant deviations will be noted in weekly status reports and a final report. Our efforts in this area will include the following:

- 1.1.1. For each location where ECG staff are deployed, we will conduct daily assessments of work that is needed, and assist college staff to maximize efficiency in the processing of applications.
 - 1.1.2. During the initial period of our work, we propose conducting daily “review sessions” with Peralta staff (led by an ECG staff member) to review the work that has been completed each day and to determine the recommended work plan for the following day. These meetings will assist the team members in assessing progress and determining actions steps.
 - 1.2. We will monitor resource usage and make planning and procedural adjustments as needed to ensure continued efficiency, as new information is expected to be discovered throughout the process. For example, sub-populations may be prioritized based on factors such as which group can be processed most quickly, which group can be processed with the least risk of creating collateral compliance problems, which group is most likely to generate media attention, and other groups.
 - 1.3. During this phase of work, we propose to track all issues identified in the processing system that represent operational improvements needed, compliance-related requirements, or general processing improvements that should be undertaken to enhance services to students. All of these issues will be placed in the “issue tracker” system, which ECG maintains and will be available to the college as we make progress through the project. The issue tracker monitoring system is a strategic management tool that can be used to begin the design of overall processing enhancements.
- 2. Provide processing support to execute the plan, and develop means to communicate progress to the college.**
 - 2.1. Individual offices maintain applicant materials and folders. The review of these documents is triggering some processing steps; however, ECG believes some of these tasks can be automated through Regent to generate reports listing backlogged applicants based on registration and federal financial aid application records. We will examine the workflow to determine if applicants have been overlooked in order to create action plans for each of these categories.
 - 2.2. We will provide consulting staff to support the review process, addressing any issues that may be causing delays to ensure eligible disbursements are made when expected.
 - 2.3. We will coordinate the effort to communicate with students in cases where they must provide missing documents in order for financial aid processing to be completed. We will seek to communicate with these students using all available Peralta resources; and we will define best practices for conducting follow-up using the Regent software.
 - 2.4. We will examine the potential to establish triage centers to coordinate receipt and verify the quality of incoming documents to ensure that incomplete or inaccurate documents

do not enter the processing system or cause additional delay in disbursement of funds to students.

- 2.5. We will develop a dashboard reporting system to provide business intelligence so that processing activity can be monitored regularly, and decision support information is readily available to the managers in financial aid and executives of the college.

DELIVERABLES

ECG will submit the following deliverables as part of executing this statement of work:

- Weekly status report - outlining activities conducted each week and plans for the upcoming week, as well as any ancillary issues discovered in the process.
- Monthly issue tracking report – identifying and monitoring open issues that require resolution.
- Results of completed processing work – including periodic dashboard reports.
- Close-out management consulting report – summarizing our work conducted during the engagement and providing recommendations for processing improvements.

STAFF QUALIFICATIONS AND EXPERIENCE

Robert W. (Bob) Evans will be responsible for the overall supervision of the project as engagement director. Mr. Evans is thoroughly familiar with higher education accounting practices and the requirements of the federal student aid (FSA) programs; and he has a keen understanding of the operational importance that these programs have for postsecondary institutions. As a leader in the higher education industry for over 35 years, Mr. Evans has extensive experience working with major universities to improve overall enrollment management systems, including implementing new systems for servicing students and maintaining compliance. An attachment includes the qualifications statement for Mr. Evans, as well as information about our consulting services.

Additional ECG consultants may be assigned to execute the work steps referenced above; their qualification statements will be provided to Peralta.

CLIENT RESPONSIBILITIES

For ECG to complete our work successfully, Peralta Community College District will:

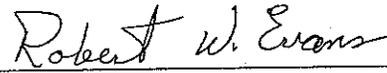
- Designate a primary institutional contact to work directly with the ECG team members.
- Provide adequate workspace for our staff.

- Coordinate the scheduling of appointments with institutional officials.
- Provide access to business equipment (copier, fax, printer, phone, etc.).
- Provide access to the network and information system so we may connect from our workstations.

Peralta agrees that it will not approach any ECG staff members for potential employment during the terms of this project. Furthermore, the college will not seek applications, interviews, or hire an ECG staff member for a period of 12 months following the completion of this project.

PROPOSAL SIGNATURES

Proposal Issued By:
October 7, 2008



Robert W. Evans, President & CEO

ACCEPTED:

Peralta Community College District

Signature

Title

Date

Costing Estimate for Peralta Community College District Financial Aid Processing Support

Task	Labor Class	Estimated Hours by Week	Rate	No. of Weeks	Estimated Cost
Provide general consulting services for processing support.	Engagement Director	2	\$ 160.00	1	\$ 320.00
	Project Manager	40	\$ 150.00	1	\$ 6,000.00
	Functional Consultant (4 Consultants)	160	\$ 140.00	1	\$ 22,400.00
	Technical Consultant	0	\$ 145.00		\$ -
TOTAL				0	\$ 28,720.00
Travel & Expenses					
Average of 24.5% Used for Travel (24.5% X Estimated Cost)					
TOTAL FEES & ESTIMATED TRAVEL					\$ 35,756.40

This cost estimate relates to the statement of work (SOW) submitted October 7, 2008 by ECG. The proposal is a task order consulting service project; and Peralta Community College District may authorize work as referenced in the proposal on a task-as-needed basis. Invoicing is done each month following the close of the month with detailed time and expense information.

Proposal Issued By:

October 7, 2008

Date



Robert W. Evans, President & CEO

ACCEPTED: Peralta Community College District

Date

Signature



INTRODUCTION

The Peralta Community College District (Peralta) seeks to engage The Evans Consulting Group, Inc. (ECG) to conduct an assessment of the district's overall financial aid operations. The scope, objectives, and approach for this statement of work (SOW) are detailed below.

OBJECTIVES AND SCOPE

The objectives and scope of this work plan include the following:

- Conduct a review of the financial aid processes for Peralta Community College District at the Laney, Merritt, Berkeley, and Alameda campuses. The goal of the review is to assess how to streamline processes, while increasing the automation capabilities housed within Regent Diamond.
- Perform an analysis of the organizational structure and staffing for the financial aid operations at Peralta. Emphasis will be placed on assessing the strengths and weaknesses of having coordinated versus decentralized control for the processing functions, and evaluating ways to improve internal controls and service to students.
- Review the current approach for administering federal and state financial aid policies and procedures, and complete a general review of compliance requirements in the financial aid programs.

APPROACH

We will perform the following tasks in order to accomplish the objectives indicated above. During completion of each of these tasks, we will keep you informed on the status of our work as well as other issues that may become known in the course of performing this work.

1. **Conduct a review of the financial aid processes for Peralta Community College District at the Laney, Merritt, Berkeley, and Alameda campuses. The goal of the review is to assess how to streamline processes, while increasing the automation capabilities housed within Regent Diamond.**
 - 1.1. We will conduct interviews with various members of the campus administration for each location, including the financial aid director, registrar, admissions, and bursar (student accounts). In addition, we will review any written policies and procedures

- available, and compare those procedures to the practices articulated during the interviews.
- 1.2. Using information gleaned from the interviews, we will produce flowcharts documenting the life cycle of the student aid process for each campus financial aid office and highlighting areas of processing weakness.
 - 1.3. We will apply our expertise and industry best practices to develop recommendations for improving each office's procedures. The recommendations will seek to maximize automation within the Regent Diamond system.
- 2. Perform an analysis of the organizational structure and staffing for the financial aid operations at Peralta. Emphasis will be placed on assessing the strengths and weaknesses of having coordinated versus decentralized control for the processing functions, and ways to improve internal controls and service to students.**
- 2.1. We will conduct a review of the structure of similar community college districts, including collecting information about the staff size of the financial aid office and organization structural.
 - 2.2. On behalf of Peralta, we will complete the staffing self-assessment model developed by the National Association of Student Financial Aid Administrators (NASFAA). The staffing model uses statistical information and data related to the school's financial aid population to project the appropriate staff size for a financial aid office.
 - 2.3. Based on the information gathered from the review of peer institutions, interviews with staff, the NASFAA staffing model, and our industry expertise, we will make recommendations about the ideal organizational structure of financial aid offices for the district, as well as the appropriate staffing levels.
- 3. Review the current approach for administering federal and state policies and procedures, and complete a general review of compliance requirements in the financial aid programs.** To complete this objective, we will undertake the following:
- 3.1. We will use an inventory system, which ECG maintains for the operations of the federal and state (Cal Grant) financial aid programs, to examine how policies and procedures have been created and applied to Peralta's financial aid operations; and evaluate how compliance is achieved with those policies and procedures.
 - 3.1.1. We will judgmentally select 30 student files to review. We will request that the institution provide us with detailed information for these students, including their academic transcripts, admissions records, financial aid records, and other information as needed.
 - 3.2. We will use the information obtained from our review of files to compare with federal Title IV student financial assistance rules and regulations, and those required under the

Cal Grant program. In addition, we will assess whether the college's stated policies and procedures are routinely followed in the selected files.

- 3.3. Once the review of student records is complete, we will provide observations and recommendations regarding opportunities for the college to strengthen its current processing. We will produce a detailed report identifying areas where the institution may wish to consider modifications to minimize its risk. Appropriate statutory and regulatory references will be provided for background on the requirements for the recommended review areas.

DELIVERABLES

ECG will submit the following deliverables as part of executing this statement of work:

- Weekly status report – outlining activities conducted each week and plans for the upcoming week, as well as any ancillary issues discovered in the process.
- Monthly issue tracking report – identifying and monitoring open issues that require resolution.
- Flowcharts of the financial aid processing system – highlighting areas of weakness and opportunities for streamlining processes.
- Close-out management consulting report – summarizing our work conducted during the engagement, including details from the file review and staffing assessment, as well as recommendations for processing improvements.

STAFF QUALIFICATIONS AND EXPERIENCE

Robert W. (Bob) Evans will be responsible for the overall supervision of the project as engagement director. Mr. Evans is thoroughly familiar with higher education accounting practices and the requirements of the federal student aid (FSA) programs; and he has a keen understanding of the operational importance that these programs have for postsecondary institutions. As a leader in the higher education industry for over 35 years, Mr. Evans has extensive experience working with major universities to improve overall enrollment management systems, including implementing new systems for servicing students and maintaining compliance. An attachment includes the qualifications statement for Mr. Evans, as well as information about our consulting services.

Additional ECG consultants may be assigned to execute the work steps referenced above; their qualification statements will be provided prior to performing any work.

CLIENT RESPONSIBILITIES

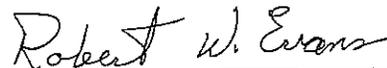
For ECG to complete our work successfully, Peralta Community College District will:

- Designate a primary institutional contact to work directly with the ECG team members.
- Provide adequate workspace for our staff.
- Coordinate the scheduling of appointments with institutional officials.
- Provide access to business equipment (copier, fax, printer, phone, etc.).
- Provide access to the network and information system so we may connect from our workstations.

Peralta agrees that it will not approach any ECG staff members for potential employment during the terms of this project. Furthermore, the college will not seek applications, interviews, or hire an ECG staff member for a period of 12 months following the completion of this project.

PROPOSAL SIGNATURES

Proposal Issued By:
October 14, 2008



Robert W. Evans, President & CEO

ACCEPTED:

Peralta Community College District

Signature

Title

Date

Costing Estimate for Peralta Community College District Financial Aid Operations Assessment

Task	Labor Class	Estimated Hours by Tasks	Rate	Estimated Cost
1. Conduct a review of the financial aid processes for Peralta Community College District at the Laney, Merritt, Berkeley, and Alameda campuses. The goal of the review is to assess how to streamline processes, while increasing the automation capabilities housed within Regent Diamond.	Engagement Director	8	\$ 160.00	\$ 1,280.00
	Project Manager	16	\$ 150.00	\$ 2,400.00
	Functional Consultant	92	\$ 140.00	\$ 12,880.00
	Technical Consultant	0	\$ 145.00	-
		TOTAL		\$ 16,560.00
2. Perform an analysis of the organizational structure and staffing for the financial aid operations at Peralta. Emphasis will be placed on assessing the strengths and weaknesses of having coordinated versus decentralized control for the processing functions, and ways to improve internal controls and service to students.	Engagement Director	8	\$ 160.00	\$ 1,280.00
	Project Manager	12	\$ 150.00	\$ 1,800.00
	Functional Consultant	40	\$ 140.00	\$ 5,600.00
	Technical Consultant	0	\$ 145.00	-
		TOTAL		\$ 8,680.00
3. Review the current approach for administering federal and state policies and procedures, and complete a general review of compliance requirements in the financial aid programs.	Engagement Director	8	\$ 160.00	\$ 1,280.00
	Project Manager	22	\$ 150.00	\$ 3,300.00
	Functional Consultant	158	\$ 140.00	\$ 22,120.00
	Technical Consultant	0	\$ 145.00	-
		TOTAL		\$ 26,700.00
		TOTAL		\$ 51,940.00
Travel & Expenses		Average of 24.5% Used for Travel (24.5% X Estimated Cost)		\$ 12,725.30
TOTAL FEES & ESTIMATED TRAVEL				\$ 64,665.30

Costing Estimate for Peralta Community College District Financial Aid Operations Assessment

This cost estimate relates to the statement of work (SOW) submitted October 14, 2008 by ECG. The proposal is a task order consulting service project; and PCC may authorize work as referenced in the proposal on a task-as-needed basis. Invoicing is done each month following the close of the month with detailed time and expense information.

Proposal Issued By:

October 14, 2008

Date



Robert W. Evans, President & CEO

ACCEPTED: Peralta Community College District

Date

Signature