



U.S. Department of Education, Office of Federal Student  
Aid (FSA), Central Processing System (CPS)

***Building and Operating the Systems  
that Process Federal Student Aid***



Case Study

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### *Building and Operating the Systems that Process Federal Student Aid*

#### The Challenge

Each year, more than 13 million students apply for over \$70 billion of financial aid from the U.S. Department of Education's Federal Student Aid programs. The Office of Federal Student Aid (FSA), the performance-based organization responsible for administering these programs, must provide timely and accurate application processing and eligibility determination in order to fulfill its mission to "Help Put America Through School."

#### The Solution

On behalf of FSA, Vangent developed and operates the Central Processing System (CPS), the automated system that processes all applications for federal student aid, calculates financial aid eligibility, and notifies students and educational institutions of the results of the eligibility calculation. The scope of work includes imaging and data capture of paper applications; developing and managing the eligibility determination system, Web-based applications and services, and PC-based financial aid software; printing and mailing eligibility documents; and providing technical help desk support.

Vangent has provided application processing and eligibility determination for FSA continuously since 1983. During this time, we have developed and implemented numerous technological innovations to improve the quality of services provided to FSA's customers, while increasing operational efficiency and reducing costs for FSA. These innovations include the design, development, and implementation of FAFSA (Free Application for Federal Student Aid) on the Web, an award-winning Web site that allows students to apply for financial aid securely via the Internet, 24/7.

As part of the process of determining students' eligibility for federal student aid, Vangent conducts electronic matches via leased lines with the Selective Service, U.S. Citizenship and Immigration Services, Veterans Affairs, National

Student Loan Data System (NSLDS), and Social Security Administration databases.

Application data is subjected to a variety of edit and entity checks, which are performed prior to determining an applicant's eligibility. If the edit and entity checks indicate errors in the application data, the CPS is capable of generating 271 different instructions to applicants, depending on the particular reason the student's application is rejected, detailing what the applicant must do to successfully complete their application processing.

## The Results

Vangent's partnership with FSA has assisted the agency in providing higher quality, more convenient and timely services to its customers, while also improving FSA's operational efficiency and reducing program costs.

During our performance of this contract, we have successfully transformed FSA's financial aid processing systems from largely paper-based and labor-intensive systems to more efficient, cost-effective electronic and Web-based systems. These Web-based systems have also greatly improved FSA's customer satisfaction, allowing students to conveniently apply for financial aid via a secure, easy-to-use Web site. Today nearly 90 percent of all applications are submitted electronically.

Throughout our partnership with FSA, we have consistently delivered contract services within budget, while also looking for processing efficiencies and enhancements to reduce operational costs for FSA. By using ZIP code pre-sort and mail accumulation techniques for Student Aid Reports and Renewal Applications, we saved FSA over \$0.05 per piece, or about \$2 million in shipping costs per year.

In 2001, Vangent initiated the combining of the CPS and Title IV Wide Area Network customer service groups into a single call center. This initiative saved FSA \$1 million per month and reduced the number of school customer calls by 36.5 percent.

The CPS contract was a performance-based contract containing minimum performance standards (MPSs) for a number of functional areas. Vangent has consistently achieved or outperformed these performance standards, achieving turnaround times well below contract standards and accuracy rates consistently above the standards.

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