

**STATE OF ARKANSAS**



**2010 NASCIO Recognition Award Submission**

**The Arkansas Department of Higher Education  
Universal Financial Aid Management System**

**[https://www.ark.org/adhe\\_financialaid/login.aspx](https://www.ark.org/adhe_financialaid/login.aspx)**

**Category: Cross-Boundary Collaboration and Partnership**

**State of Arkansas**

## **Executive Summary**

In Arkansas, millions of dollars in scholarship funds have remained unused either because students, parents, and high school counselors were not aware that this money was available or the process was unclear and confusing. The Arkansas Department of Higher Education (ADHE) and the Arkansas General Assembly identified a need to improve the process and actively set out to make the process of searching and applying for scholarships less complicated.

The main objective of the “YOUuniversal” Financial Aid Management System was two-fold: help students determine which scholarships they may be eligible for and streamline the application process; and reduce the manual effort associated with the awarding of funds and ongoing management of individual scholarships.

The system consolidates 21 existing programs from different governmental agencies into one unified database and then applies a rules engine that takes basic information from the student or parents and returns a list of scholarships for which they qualify. The result is an easy to use tool that walks Arkansas students, parents, and counselors through a series of questions to find and apply for available scholarship funds in one application. The agency sees significant savings in administrative work as the system has automated many of the manual functions that were previously being performed by disparate systems. The system automatically integrates process and information from the Federal Free Application for Student Aid (FASFA) application process, Arkansas Department of Education TRIAND data for student transcripts, and Higher Education Institutions for student enrollment verification and financial aid awards. Students manage their profile and award process in the system throughout their higher education experience.

## **Description of the Business Problem and Solution**

Previously, individuals had to be aware of and then research the various scholarships and availability and deadlines to determine what may or may not be available to them. Millions of dollars in available state funds were not being applied for, and ADHE needed to simplify this process and make students aware of these available scholarship funds. With the new Arkansas State Education Lottery proceeds earmarked for student scholarships, it was imperative that the application process be automated and streamlined.

Now, using the specialized search component of the new Universal Financial Aid Management System, potential scholarship recipients simply answer a few basic questions, including age, grade point average, ACT scores, family income level, etc., to determine which of the 21 scholarship, grant, and loan reimbursement programs might be available to them. The student is then matched quickly with the various scholarships for which they may qualify, and students can perform as many of these searches as desired. For example, if a student has a low GPA, he or she can perform a “what if” search to see the different programs they would be eligible for if they raised their grade point by 0.5 points.

To apply for eligible scholarships the student or parent is guided to create an account and then answer any specific questions necessary for the scholarship(s) they are applying for. When finished, the system will list their answers on a page for final review and if all the information is correct, they can submit their application.

Once the application is submitted, an automated awarding process verifies eligibility based on additional data that is either pulled from third-party sources (i.e. Federal FAFSA family income and other financial information and Arkansas TRIAND high school transcript data) or mailed to the agency by the student.

By having all 21 scholarships consolidated into one unified search and application process, and automating many of the functions that were previously performed manually, students and parents can now find available financial aid funds more readily. ADHE is saving a significant amount of staff hours collecting additional data and automating the awarding process.

## **Significance of the Project**

ADHE was managing 21 unique scholarship programs, and with the new Arkansas State Education Lottery, taking these applications and manually verifying eligibility and awarding financial aid to students would not be an option. The agency had to automate this process for the students and for the agency.

Efficiencies were created for students applying for scholarships and also for the agency administering the scholarships. Under the new process, the system automatically pulls pertinent scholarship information from the state's centralized student database, once a student has given permission via electronic signature, allowing applications to be processed near the point of application and not dependent on local high school processing. Through each step, the student's profile status is automatically updated in the system, enabling the student and the agency to view the status at any time. ADHE can communicate with students via the Universal Financial Aid Management System to request any additional information and to notify them when they have been awarded any financial aid.

The new system includes an automated awarding process that verifies eligibility based on additional data that is either pulled from third-party sources (i.e. Federal FAFSA family income and other financial information and TRIAND high school transcript data) or mailed to the agency by the student. In the past, counselors at high schools would have to individually request student transcript information to be sent to the ADHE.

With the new online system and back-end administrative component, ADHE is expecting to realize an 80% reduction in mailing and paper cost. The agency will also see significant savings in administrative work as the system has automated many of the manual functions that were previously being performed. The vast majority of communications with the students and institutions will be done electronically, providing a significant savings to the citizens of Arkansas. The system will also provide the interface with Arkansas colleges and universities and high school counselors. The disbursement of funds will be handled by the system and transfer funds electronically based upon enrollment verification from the college or university. Standard protocols have been developed to receive and transmit the data necessary to manage not only these financial aid programs but also the transfer of funds directly to institutions.

### **Benefit of the Project**

This project took almost one year to complete. Initial discussions began in February 2009 and were followed with requirements gathering, planning, and finally coding and testing. All in all, it took a team of subject-matter experts, project managers, developers, and testers approximately nine months to build the system. The application was developed using Microsoft .NET 3.5 framework and runs on a windows 2008/IIS server platform. Essential to the success of the application is its ability to constantly update applications with data from students, high schools, and the agency. All communication with these entities is secure and utilizes the standard SSL protocol. Additionally, all sensitive data (i.e. SSN, birthdates, passwords, etc.) is encrypted at rest. Best practices for sensitive data are used in displaying all student information. Because of the standards used in building this system, the application can easily be ported to other states and

configured for the specific needs for other organizations.

Significant savings are being realized by the agency in reduced paper, postage and administrative work related with eligibility verification and awarding. The process has also been streamlined for colleges and universities. They can now send student enrollment confirmations in directly through the system and also receive financial aid funds from ADHE to be applied directly to the student's tuition.

To date, the system has enrolled more than 43,000 users who have submitted more than 75,000 scholarship applications. Prior to the new Universal Financial Aid Management system, ADHE awarded 18,000 students almost \$48 million in financial aid each year. This year, with the new system in place, the agency is projected to offer more than 50,000 scholarships totaling more than \$150,000,000. The majority of these funds will come from the new Arkansas Education Lottery proceeds that began in October of 2009.

More than 30 percent of Arkansas students that drop out of college indicate financial reasons as the main factor. With the new lottery funds, and the Universal Financial Aid Management System search and application system, more students in Arkansas will now be able to realize their dream of a college education.

ADHE has seen more than a 500% increase in visits to the agency web site since the Universal Financial Aid Application was launched.