

Analysis

Item 3: Higher Education Coordinating Commission Financial Aid Management Information System

Analyst: Doug Wilson

Request: Allocate \$875,000 for the stabilization of the existing system and planning for the ultimate replacement of the Financial Aid Management Information System.

Analysis: The Higher Education Coordinating Commission (HECC) is requesting \$875,000 General Fund from the Emergency Fund to stabilize and continue the planning for the replacement of the Financial Aid Management Information System, or FAMIS. This system is the primary information system for managing HECC's numerous student aid programs including the Oregon Opportunity Grant, Oregon Promise, National Guard State Tuition Assistance Program, and over 600 privately funded scholarships. The current system dates back 40 years with numerous updates and work arounds to keep it operating. HECC is now faced with a system which is unstable, does not meet user requirements, is not user friendly, continuously requires business process changes and work arounds, and faces security related issues. Vendor support of the specific Microsoft Access in use is scheduled not to be supported after 2020. Partners also have begun to rely on their own systems given the limitations of FAMIS. Over the past three biennia, the agency has tried to take steps to begin replacement of the system, but for one reason or another has not been able to move forward.

Over the past year, HECC staff and partners have worked with an IT consultant to again begin the first steps in replacing FAMIS. Through interviews with stakeholders, examination of HECC's business processes, and review of technical requirements, the consultant recommends replacing the system which will take up to five years to get through the approval process and to complete the project. HECC has completed the documentation for approval through the state CIO's Stage Gate One. Overall, it is estimated that the entire replacement will cost roughly \$10.9 million. HECC has included a policy package for the system replacement in its 2021-23 agency request budget.

HECC is requesting \$875,000 to stabilize the existing system and to begin more detailed planning for the future project. The major components are summarized below:

Item	Description	Cost
1.	Provide for mobile access and increased capacity for applicants to check status of application. Includes replacement and increases effectiveness of website.	\$250,000
2.	Provide for a new electronic application for new program or program changes implemented over past few years replacing PDF forms.	\$400,000
3.	Improve data exchange between partners including post-secondary institutions and various scholarship sponsors.	\$90,000
4.	Enhance system capacity to better respond to legislative and agency reporting requirements	\$75,000
5.	Improve security measures to protect personally identifiable financial and other information.	\$60,000

While this is one-time spending, much of it will be incorporated into the long-term replacement

project.

In discussions with the agency, the Legislative Fiscal Office (LFO) has determined that two components of the request outlined above should, if possible, move forward at this time. This is based on the priority order of what HECC believes should be completed and what can be effectively be completed by the end of the biennium. The first is item #1 which will make it much easier to communicate with applicants throughout the process. In the past few months, the existing system has had some issues where clarifying communications with applicants was required. This will make that communication timelier and more effective. The second is item #2 to improve the security of the current system and make sure the system meets the requirements of the federal Family Education Rights and Privacy Act (FERPA). The current system requires storage of family and individual financial data as well individual demographic information.

Legislative Fiscal Office Recommendation: The Legislative Fiscal Office recommends that the Emergency Board allocate \$310,000 from the Emergency Fund to the Higher Education Coordinating Commission for the stabilization of the existing and planning for the ultimate replacement of the Financial Aid Management Information System.

3

Higher Education Coordinating Commission Brickman

Request: Allocate \$875,000 from the State Emergency Fund to the Higher Education Coordinating Commission for stabilization and planning for the replacement of Oregon's Financial Aid Management Information System.

Recommendation: Approve the request with the following modification: allocate \$310,000 from the State Emergency Fund to the Higher Education Coordinating Commission (HECC) for stabilization of the Financial Aid Management Information System (FAMIS).

Discussion: The FAMIS is the primary tool used by the Office of Student Access and Completion to award over 92,000 grants and scholarships to Oregon students for over \$217 million each biennium. For the last several biennia, HECC has requested funding in policy packages for the replacement of the system. The technology supporting FAMIS was built over four decades ago as an AS/400 mainframe system. Over time, the system has been migrated to Microsoft Access on the front-end, with the back end stored in Microsoft SQL. The HECC worked with Gartner Consulting Solutions to define the requirements for a replacement system. As part of the overall project, the consultants recommended, in the immediate term, stabilizing the current system as a replacement project will take several years.

The current system has developed operational problems, become more difficult to modify, and does not provide the functionality to support stakeholders' current operational requirements. The HECC built numerous workarounds and manual business processes to supplement changes to the system. However, currently FAMIS is unstable. This makes the system more time- and labor-intensive to support and has radically diminished both staff and students' ability to rely on it to function when needed. Additionally, vendor support of the Microsoft Access portion of the program is slated to end in 2020.

The Department of Administrative Services Enterprise Information Services (EIS) Office provided Stage Gate 1 approval for this project in January 2020. In further discussion with the agency and the EIS Senior IT Portfolio Manager, the determination is that stabilization activities are what are most necessary at the moment. The activities from the request tied directly to stabilization are:

1. Improvement of customer experience through mobile access and increase ability to check the status of applications. This includes replacement of the Office of Student Access and Completion (OSAC) website (\$250,000); and
2. Improvement of security measures and reduction of the likelihood of potential financial, Personal Identifiable Information, and Family Educational Rights and Privacy Act data breaches (\$60,000).

Based on an analysis of the project status and conversations with both the agency and EIS, the recommendation is to fund only the stabilization components of this project, discussed above.

Legal Reference: Allocation of \$310,000 from the State Emergency Fund to supplement the appropriation made by chapter 666, section 1(1), Oregon Laws 2019, for the Higher Education Coordinating Commission Financial Aid Management Information System for the 2019-21 biennium.



Oregon

Kate Brown, Governor

Higher Education Coordinating Commission

Office of the Executive Director
255 Capitol Street NE, Third Floor
Salem, OR 97310
www.oregon.gov/HigherEd

September 25, 2020

The Honorable Senator Peter Courtney, Co-Chair
The Honorable Representative Tina Kotek, Co-Chair
State Emergency Board
900 Court Street NE
H-178 State Capitol
Salem, Oregon 97301

Dear Co-Chairpersons:

Nature of Request

The Higher Education Coordinating Commission (HECC) requests a one-time investment of \$875,000 General Fund disbursement from the Emergency Fund dollars for the stabilization and planning for the ultimate replacement of Oregon's Financial Aid Management Information System.

Agency Action

HECC's Office of Student Access and Completion (OSAC) awards over 92,000 grants and scholarships worth over \$217 million to Oregon students each biennium. Some of the largest financial aid programs that OSAC administers include the Oregon Opportunity Grant, the Oregon Promise Grant, the federal Chafee Education and Training Grant, the Oregon National Guard State Tuition Assistance Program, and over 600 privately funded scholarships.

The Financial Aid Management Information System (FAMIS) serves as the primary tool that supports this work, but the foundation was originally developed as an AS/400 mainframe system four decades ago. Over time, it has been migrated to Microsoft Access on the front-end with the backend stored in Microsoft SQL.

The current system has become problematic to operate, difficult to modify, and does not provide the functionality to support stakeholders' current operational requirements. HECC has built numerous workarounds and manual business processes to supplement changes to the system, however, we are now reaching a point where FAMIS is unstable and increasingly unable to support the Commission's core mission. This dynamic makes the system more time- and labor-intensive to support, and has radically diminished both staff and students' ability to rely on it to function when needed. In addition, vendor support of the Microsoft Access portion of the program is slated to end in 2020.

Partners have also noted the system's limitations and have opted to create their own systems rather than continue to work with HECC. For example, the Ford Family Foundation (TFFF) has ended its long-standing contract with HECC to administer its scholarship programs, citing their desire to have a more responsive, user-friendly, and modern IT system that integrates with their scholarship management system. This decision will limit students' access to information about private funding sources for their educational pursuits, which contradicts the agency's mission.

HECC staff and stakeholders have worked with Gartner Consulting Solutions for the last year to define the requirements for a replacement system. Gartner interviewed stakeholders, documented HECC's current state work flows, and created business and technical requirements. The sum of this work provides insight into not only the current challenges and problems in the existing system, but also a view to the desired future state and the requirements of a new technology roadmap for HECC. Their ultimate recommendation is to replace the system using an iBPMS or hpaPaaS platform with a total cost of ownership estimated at \$10.85 million. HECC estimates it will take 4-5 years to complete the project.

HECC has submitted a project charter, the Gartner business case, an evaluation of the technology investment (including return on investment), and other requested documents to Enterprise Information Services (OSCIO). They approved the FAMIS project through Stage Gate One on January 17, 2020.

Replacing the system will create a more modern, streamlined business tool that is easier to operate and support and will better serve our stakeholders—particularly students and Oregon's educational institutions. The replacement system will feature:

- Additional functionality for mobile devices (phones)
- More feedback/prompt mechanisms to ease the application process, prevent errors that require students to exit the system, and allow students to check the status of their applications
- Consolidated entry points into single portal
- Flexibility to add new programs or requirements created by law changes
- Better integrated financial and program data to prevent overpayments
- Improved data exchanges between HECC and partners (colleges, universities, agencies, and foundations)
- Better reporting tools and capabilities
- Enhanced security (reduce risk of inadvertent disclosures of financial, Personally Identifiable Information, FERPA, and other protected information).

HECC anticipates that a replacement solution would offer data accuracy, simplified business process support, better service to stakeholders, and flexibility to support future needs. HECC's ultimate goal is to increase the number of applicants that are able to complete the financial aid application, therefore providing financial aid opportunities to more students across Oregon. In addition, OSAC's program staff will be able to spend less time troubleshooting system issues and dedicate more of their time to working with students to answer their questions, providing

guidance about additional resources that may be available, and performing more outreach to schools and potential donors.

In the meantime, HECC would like to begin more detailed project planning and stabilization activities to keep the system up and running until it can be replaced.

The one-time funding will address immediate problems, but will also include work that will inform and be incorporated in the replacement project. Specifically, it will:

FAMIS Stabilization Components and Costs

Improve customer experience through mobile access and increased ability to check status of applications. Includes replacement of OSAC website.	\$250,000
Build or implement new applications for new programs or program law changes that the legislature introduced in the last couple of years but are currently managed via PDF fillable forms	\$400,000
Improve data exchange between partners (Colleges, Universities, Oregon Community Foundation, Ford Family Foundation, and other agencies)	\$90,000
Enhance the system capability for legislative and other agency reporting requirements	\$75,000
Improve security measures and reduce likelihood of potential financial, Personal Identifiable Information, and FERPA data breaches	\$60,000
Total	\$875,000

HECC estimates that \$650,000 or 74% of this one-time investment will lay the foundation towards the replacement system and will not result in duplicative work or expenditures.

Action Requested

HECC requests a one-time investment of \$875,000 General Fund to stabilize the agency's Financial Aid Management Information System and continue planning for its replacement.

Services & Supplies:

IT Professional Services	\$875,000 GF
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Total	\$875,000 GF
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Legislation Affected

If approved, this request would increase the General Fund disbursement from the Emergency Fund in the amount of the expenses allocated to the agency through Chapter 666, (2019 Laws) Section 1(1).

Sincerely,



Ben Cannon
Executive Director
Higher Education Coordinating Commission