Financial Aid Office

2020 ANNUAL REPORT OF PROGRAM DATA

UNIVERSITY OF HAWAI‘I
HAWAI‘I COMMUNITY COLLEGE
1. Program or Unit Description

The Hawai‘i Community College Financial Aid Office administers a variety of federal, state, and institutional financial aid programs. These financial aid programs are intended to assist all students and their families pay for educational costs.

2. Analysis of the Program/Unit

In September of 2018, the unit’s manager was placed on administrative leave and later resigned, leaving the unit without direct supervision and leadership. Two recruitments to fill the Financial Aid Manager (FAM) position were unsuccessful, and a third was interrupted by the hiring freeze instituted by the UH System in response to the economic impact of the COVID-19 pandemic.

With the manager position vacant, the Vice Chancellor for Student Affairs (VCSA) assumed the role of Acting Financial Aid Manager and with support from the UH System Financial Aid Office (UHFAO) staff, the role of coordinating official for Hawai‘i Community College. Each Financial Aid Office (FAO) staff member assumed additional duties and responsibilities to ensure the unit met its most pressing obligations and kept the institution in compliance with federal requirements. The staff were compensated with overtime until June 30, 2020, when overtime was restricted due to the economic impact of the COVID-19 pandemic.

Due to on-going challenges with filling the vacant FAM position, concerns regarding the sustainability of the homegrown system called DARWIN, and recognition that Hawai‘i Community College would need support from the UHFAO, which operated solely in Banner, to maintain operations, an administrative decision was made to transition to the sole use of Banner for financial aid operations. This decision to transition to Banner caused considerable consternation for the FAO staff, as they had previously relied on DARWIN to provide data that informed their work and a capacity to automate certain processes, such as notifications and recordation of actions taken on students’ records. The transition to Banner required adjustments to the order of operations, the timing of certain processes, such as SAP calculations, and how information was inputted into Banner.

UHFAO Financial Aid Specialist, Jannine Oyama, was enlisted to work with the VCSA and FAO staff to implement the transition while preserving as much of the DARWIN functionality upon which the FAO staff relied as possible. Oyama was asked to provide training and guidance to the staff and technical support to the VCSA in her role as Acting FAM. However, the staff resisted sharing information about DARWIN’s functionality, and while the matter was under discussion between Hawai‘i CC and HGEA, the union representing the staff member(s), the transition proceeded without the information that would have enabled Oyama to better crosswalk DARWIN’s functionality with Banner.

These changes, the circumstances under which the previous FAM had resigned, a lack of confidence in the VCSA’s ability and capacity to understand the complexities of Title IV administration and keep the institution in compliance, and a history of distrust between staff
members and campus leadership created a challenging environment in which to make substantive changes to operations and successfully transition to the sole use of Banner for financial aid operations.

In December of 2019, the VCSA arranged for Ku‘ikahi Mediation Center to assist the FAO and the VCSA in learning how to communicate with each other more constructively and to begin to build a foundation for mutual trust and respect. The FAO staff and the VCSA actively participated in interviews and a workshop about active listening. The work with Ku‘ikahi was positively received and the staff and VCSA demonstrated attempts to utilize the strategies learned to improve communication. The VCSA continued to discuss the on-going training and support needs with Ku‘ikahi with the intention of future interventions and trainings, but these discussions were curtailed by the COVID-19 pandemic and have been put on hold.

However, even with the challenges mentioned above, the FAO continued to maintain critical operations and the staff consistently demonstrated an unwavering commitment to serving Hawai‘i CC’s students. The 2020 Annual Program Review Data (https://uhcc.hawaii.edu/varpd/) shows an increase in all of the FAO’s efficiency indicators (see Table 1) despite an overall decrease in enrollment. The office awarded $224,950 more in Pell grant for the 2019-2020 academic year ($3,897,374) than was awarded for the 2018-2019 academic year ($3,672,424).

Table 1: 2020 Annual Program Review Data (https://uhcc.hawaii.edu/varpd/)

<table>
<thead>
<tr>
<th>Demand Indicators</th>
<th>2017 - 18</th>
<th>2018 - 19</th>
<th>2019 - 20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual Headcount ALL Students</td>
<td>3,527</td>
<td>3,209</td>
<td>3,197</td>
</tr>
<tr>
<td>Annual Headcount NH Students</td>
<td>1,527</td>
<td>1,385</td>
<td>1,371</td>
</tr>
<tr>
<td>Actual Percent Change from Prior Year ALL</td>
<td>-3%</td>
<td>-9%</td>
<td>0%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Efficiency Indicators</th>
<th>2017 - 18</th>
<th>2018 - 19</th>
<th>2019 - 20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pell Participation Rate ALL Students</td>
<td>54.4</td>
<td>52</td>
<td>53.1</td>
</tr>
<tr>
<td>Pell Participation Rate NH Students</td>
<td>61.6</td>
<td>57.6</td>
<td>59.5</td>
</tr>
<tr>
<td>Number ALL Students Receiving Pell</td>
<td>1,166</td>
<td>1,013</td>
<td>1,032</td>
</tr>
<tr>
<td>Number NH Students Receiving Pell</td>
<td>605</td>
<td>520</td>
<td>521</td>
</tr>
<tr>
<td>Total Pell Disbursed ALL</td>
<td>$4,151,557</td>
<td>$3,672,424</td>
<td>$3,897,374</td>
</tr>
<tr>
<td>Total Pell Disbursed NH</td>
<td>$2,180,505</td>
<td>$1,917,691</td>
<td>$1,983,623</td>
</tr>
</tbody>
</table>

3. Program Student Learning Outcomes or Unit/Service Outcomes

a) List of the Program Student Learning Outcomes or Unit/Service Outcomes

Since 2018, the unit’s manager position has been vacant. The VCSA assumed the role of Acting Financial Aid Manager and with support and assistance from the UHFAO, the role of coordinating official for Hawai‘i Community College. Given the complexity of administrating Title IV aid and
the shortage of human resources within the unit, the primary focus over the assessment period has been to maintain critical operations and institutional compliance of Title IV rules and regulations. As such, the unit outcomes for this period were to achieve the following.

- Accurate and timely processing of financial aid application and packaging for students, inclusive of federal and institutional aid, student loans, grants and scholarships, and UH initiatives, such as Hawaiʻi Promise.
- Compliance with federal reporting and return to Title IV requirements
- Address the institution’s loan default rate through emphasis on financial literacy education and outreach.

b) Program or Unit/Service Outcomes that have been assessed in the year of this Annual Review

c) Assessment results

Compliance with federal reporting and return to Title IV requirements

Each year the FAO’s records are audited to determine compliance with federal reporting and return to Title IV requirements.

Hawaiʻi CC was issued the following two findings in the 2018-2019 audit and responded with the indicated corrective action.

1. Exit Loan Counseling was not provided to eight of the fifteen students whose records were examined.
   
   **Corrective action:** A position was identified that would have responsibility for running bi-monthly lists to identify students who exited and required exit loan counseling. The position would then communicate the appropriate information to the student. A second position was identified to provide support in the event that the workload became too much for the primary position.

2. A Return to Title IV (R2T4) calculation was not performed for one of the fifteen students whose records were examined within the 45 days reporting period.
   
   **Corrective action:** The position responsible for performing the R2T4 calculations was provided additional training to ensure they understood how to perform the calculations. The position created a schedule and deadlines for communication to the course instructors to obtain the student’s last day of attendance (LDA) to ensure timely return of Title IV funds. The Vice Chancellor for Academic Affairs committed assistance in obtaining LDAs in a timely manner.

The results of the audit for the 2019-2020 AY will be available early January and will illustrate the extent to which the FAO achieved compliance during the assessment period and identify any necessary corrective action.

Address the institution’s loan default rate through emphasis on financial literacy education and outreach

The institution’s loan default rate peaked in 2017 at 28.1%. This was a concern because institutions with default rates equal to or higher than 30% are subjected to greater scrutiny and may lose their
authorization to administer Title IV aid. In 2017, the FAO employed Inceptia as a loan default servicer. Inceptia provided outreach and education to former students and worked with them to address their default status. In 2018, the newly hired FAM chose to stop using Inceptia’s services, with the intention of deploying institutional default management measures they were to develop. Following the FAM’s resignation, the FAO once again employed Inceptia for 2019. Table 2 provides the perceived impact of the use of Inceptia on the institution’s default rate. The projected default rate for 2020 will be available sometime in early 2021, and the FAO is hopeful that the default rate will have continued to decline.

Table 2: Hawai'i CC Loan Default Rate

<table>
<thead>
<tr>
<th>Year</th>
<th>Default Rate</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>27.6%</td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>28.0%</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>28.1%</td>
<td>Inceptia deployed</td>
</tr>
<tr>
<td>2018</td>
<td>20.9%</td>
<td>Inceptia stopped</td>
</tr>
<tr>
<td>2019</td>
<td>19.0%</td>
<td>Inceptia re-deployed</td>
</tr>
</tbody>
</table>

d) Changes that have been made as a result of the assessment results.

The FAO continues to take the corrective action identified in response to the 2017-2018 audit and will address any audit findings with appropriate corrective action, as applicable. The UH System Financial Aid Office provides on-going support to the office to ensure compliance with Title IV regulations. Hawai‘i CC will be one of three University of Hawai‘i Community College (UHCC) campuses to pilot centralization measures that are intended to alleviate workload and inconsistent practices across the UHCC campuses.

The FAO will continue to employ Inceptia as its loan default servicer, as the service appears to be having a positive impact in reducing the institution’s loan default rate.

4. Action Plan

The UHFAO has been coordinating efforts to centralize financial aid processes across the UHCC campuses. Banner SIG consultants have been employed to assist with developing the processes in Banner that will enable the campuses to calculate satisfactory academic progress and budgeting and package student award packages in a consistent, centralized manner. NASFAA support will be procured to support the UHCCs in documenting system policies and procedures.

Due to the economic impact of the COVID-19 pandemic, the UHCCs and Hawai‘i Community College have been engaged in active discussions regarding the significant budget deficit that must be addressed. It is unknown at this time what the implications will be for the FAO, as the system, institution, division, and unit face redesign and transformation of how it provides services to its students. Until the FAO has a clearer understanding of its future structure and scope of service, it
will continue to ensure critical operations are maintained.

5. Resource Implications

Detail any resource requests, including reallocation of existing resources (physical, human, financial)

Until the FAO has a clearer understanding of its future structure and scope of service, it is unable to determine resource applications.

It is certain, though, that as long as the institution maintains its OPEID with the U.S. Department of Education, the institution will be required to employ qualified individual(s) to assume the role of the coordinating official and to provide services and functions that are not centralized.

☐ I am NOT requesting additional resources for my program/unit.