

# Spend Time on Students, Not Process: 8 Key Features in a Financial Aid Solution



WHITE PAPER

Contactless financial aid reduces the barriers of time and space for students and their families as they navigate the process more efficiently, from application through exit interviews.



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Financial aid decision-makers and the IT teams that support them in higher education are at a crossroads when it comes to the technology platforms they use for determining financial aid eligibility, awarding and accepting financial aid, ISIR processing and verification, and disbursing financial aid.

Student expectations and administrative requirements have changed dramatically over the years, but legacy systems have not kept up. In most cases, systems in place are highly manual, risky and increasingly unsustainable. They are neither student-centric nor administration-friendly. They are simply inefficient.

The need to address these issues and migrate to a more agile technology platform is becoming more urgent by the day. Financial aid teams need efficient and transparent processes so students have a better experience to make the best financial choices as they enter college and beyond.

Modern systems and processes are needed to free financial aid staff from routine, repetitive tasks, so they can spend more time counseling students. They must also act with confidence that their systems and processes are keeping them in compliance with state and federal aid regulations, while optimizing the use of institutional aid funds.

Beyond all of those concerns, a massive disruptive force is looming on the horizon: the recently enacted Consolidated Appropriations Act of 2021, which will have a major impact on the processes for determining financial aid eligibility and awards. Among the coming changes:

**Eliminating the expected family calculation and replacing it with a Student Aid Index.**

**Expanding eligibility for Pell grants.**

**Repealing the limitation on lifetime subsidized loan eligibility.**

**Cancelling existing HBCU Capital Financing Loans.<sup>1</sup>**

<sup>1</sup> ["Summary of the Higher Education Provisions of the Consolidated Appropriations Act of 2021,"](#) American Council on Education, Jan. 7, 2021

Despite the potential challenges in implementing these changes, many leaders in the financial aid world are looking forward to the opportunities engendered by this once-in-a-generation type of event.

The key is to be prepared. One of the decision points is whether to keep legacy systems that are hindered by an older code base and tethered to an existing student information system or to migrate to a stand-alone system built with modern, more flexible code.

The migration path offers significant benefits legacy systems can't match. If you stick with a legacy platform, you will cover only a small slice of the process and miss the opportunity to drive transformational change and evolve aid from an administrative burden to a strategic capability.

Fortunately, there is a better choice. With a stand-alone system, you can take advantage of features and capabilities developed in response to changing student demographics and expectations and current higher education operating models. This approach will allow you to better support and empower the financial aid process in its entirety.

This white paper describes the benefits of moving to a modern financial aid solution that leverages automation and cloud delivery with streamlined, data-driven processes. We explore ways to eliminate manual tasks to ensure compliance, be more transparent in determining eligibility and pave the way for a new approach to managing, delivering and supporting financial aid processes.

Finally, we look at the specific benefits of the Oracle Student Financial Planning Cloud, which was designed from the ground up to power the financial aid office of the future, simplifying the path to meeting the requirements of the Consolidated Appropriations Act.



## THE NEW ERA OF FINANCIAL AID

Financial aid leaders and their teams have long been focused on delivering a student-centric model. The work is exponentially more fulfilling when you provide life-changing help to students and families. In some cases, the average family income of a student entering a university can be less than \$40,000—while the average annual income of a graduate can be \$40,000 or more.

Financial aid has a profound impact on social mobility. Using a solution that truly empowers student success can be transformative for financial aid teams and their institutions. It is also a sound business practice, leading to lower costs, higher admission yields and better student outcomes.

Unmet financial need is one of the most influential reasons that students do not complete their studies. With a more student-centric approach, financial aid departments can:

**Work proactively with students to improve retention and graduation rates.**

**Be more data-driven during the application process to achieve higher admission yields and more targeted admissions.**

**Deliver a better overall experience with lifecycle management across the student's college experience and beyond.**

**Ease anxiety among students and their families about costs, thus helping to strengthen grades and build affinity for the institution.**



## THE OPPORTUNITY AFFORDED BY MODERN TECHNOLOGY

While technology has ostensibly been regarded as a tool to help deliver that student-centric model, its evolution, in some cases, has actually had the opposite effect by failing to keep pace with changing demographics, stricter compliance requirements, user experience expectations and other factors.

Much of the code for legacy systems was written when business processes and institutional operating models were simpler, compliance less onerous and student demographics more homogeneous. As a result, most legacy systems require too many manual processes, lack integration, make compliance difficult and force financial aid teams to spend more time at their keyboards than with students.

The opportunity afforded by the Consolidated Appropriations Act is to move away from these legacy systems to embrace the student-centric model that has long been the goal. The ethos is to remove salient barriers to financial aid, making education more accessible and striving to close the equity gap by making the process simpler and more approachable.

Many of the changes proscribed by the Consolidated Appropriations Act are slated to begin in July 2023. According to early industry estimates, the changes could impact 60% to 80% of the capabilities of legacy solutions.

The July 2023 date creates something of a target deadline to be ready with a more modern, agile and cost-effective technology platform that captures the ethos of the act and aligns with its goals and processes.

While the prospect of change may seem daunting, the reality is that failure to change may be more challenging and risky. If you are still relying on manual processes, you may struggle to keep up with the changes prescribed by the Consolidated Appropriations Act, hampered in your ability to respond quickly and efficiently to the changing demands of students and their families.

By migrating from an on-premises legacy system to a modern solution, financial aid departments will be better prepared to meet the needs of students, administrators and regulators by evolving to a student-centric model that has the promise of turning financial aid into an instrument of equity and access and a competitive asset supporting enrollment growth.



## 8 KEY CAPABILITIES TO LOOK FOR IN A SOLUTION

The needs of students and financial aid departments can no longer be met by legacy systems, and these systems can't realistically be updated with metaphorical wires and duct tape.

The shift to student-centric financial aid provides a golden opportunity for institutions to embrace a new technology model as well, one that is easier to manage, more agile, streamlined and cost efficient.

The main ingredients for the next-generation financial aid system are cloud delivery, comprehensive fund management, multi-academic model support and integrated, actionable, data-driven analytics. The solution should feature built-in, end-to-end automation that is highly flexible, to be congruent with your institution's ethos, needs and operating models.

These capabilities give financial aid departments the opportunity to take a holistic, end-to-end approach to delivering a student-centric experience. With the right platform, organizations can:

**1 Use built-in automation** to reduce manual processes and improve productivity by letting financial aid staff spend less time on process and more time addressing the needs and concerns of students.

**2 Leverage cloud economics and agility** to improve operational efficiencies, eliminate redundancies, reduce IT labor costs, streamline back-office operations, lower capital expenses and speed workflows. Cloud enables rapid process and operating models because automation enhancements, workflows and features are delivered every three months.

**3 Empower multiyear planning:** Multiyear aid visibility encourages more informed decision-making, contributing to more responsible borrowing and faster times to graduation.

**4 Employ contactless financial aid** to reduce the barriers of time and place for students and their families as they navigate the process more efficiently, from application through exit interviews.

**5 Reduce compliance risks** and ensure that the technology platform can scale easily and maintain compliance with rapidly changing state and federal financial aid regulations.

**6 Create an intuitive, informative, student-centric experience** to reduce complexity and confusion for students, thereby improving retention and graduation rates and making the overall process more accessible and equitable. Key to an intuitive experience is eliminating needless complexity or intimidating steps—for example, reducing the amount of information that students and parents need to provide to an absolute minimum, based on the specific circumstances of that student.

**7 Deliver student-centric tools** to enable students to make more data-driven, informed debt decisions across the entire lifecycle of their student experience and beyond.

**8 Build innovative new enrollment models,** such as financial aid for programs with flexible start times or for online experiences, as a way to transform financial aid into a competitive asset for the institution.

## WHY ORACLE STUDENT FINANCIAL PLANNING

While there are stand-alone solutions that can deliver on some of these capabilities, they fall short of the full-featured depth of the Oracle Student Financial Planning Cloud platform, which is a game-changing solution in giving financial aid professionals better ways to do their jobs.

The Oracle solution was designed from the ground up as a platform that is student-centric and administrator-

friendly. It was natively designed to manage massive scale, both in terms of student volume and data points.

Oracle Student Financial Planning Cloud supports the entire financial aid process in a virtual context while delivering an exceptional student experience that encourages process completion, satisfaction and more informed, data-driven decision-making.

As a result of this dedicated effort, the Oracle Student Financial Planning Cloud delivers important features and capabilities that solutions from other vendors are hard-pressed to match. These include:

**Configurable electronic consent**, allowing institutions to do business online in a compliant way with federal regulations and local institutional policies, customizing electronic consent language as they see fit.

**FAFSA notification**, with automated notification of availability of new FAFSA years and automatic tracking with direct linking to the U.S. Department of Education site to complete FAFSA.

**Department of Education ISIR integration** to pull ISIR data when FAFSAs have been completed, with automated ISIR corrections.

**Automated real-time awarding** to handle even the most complex cases such as overlapping loans, annual/aggregate limits, Pell LEU, SULA and additional unsubsidized loan eligibility.

**Automated CommonLine private loan processing** to make private loan processing completely seamless.

**Automated electronic federal loan notifications** to complete necessary federal aid applications with automatic tracking.

**Department of Education COD integration** to pull COD data when origination and disbursement files have been generated and other federal loan acknowledgement files have been completed.

**Automated disbursement process** to track all regulatory-defined disbursement criteria per federal fund, as well as an institutionally configured criteria for federal and non-federal funds.

**A comprehensive student portal** that delivers an intuitive mobile experience and provides students with access to instant feedback on the financial implications of their academic choices.

## TAKING THE NEXT STEP

This is an exciting and critical time for financial aid leaders and their teams. The shift in demographics, the need for student-centric decision-making and the pending regulatory changes of the Consolidated Appropriations Act of 2021 provide a great opportunity to make truly substantial and transformative changes, all for the better.

One of the key decision points moving forward is how to upgrade and modernize the technology that is the foundation for financial aid systems. Trying to get along with temporary fixes to legacy solutions will not provide the kind of change that is required and will add risk. Migrating to a system that is highly automated, data-driven, transparent and student-centric provides a path to the future that will benefit students and administrators.

But not all solutions can deliver the comprehensive features and capabilities required to truly modernize financial aid and create an environment that can set the institution apart by turning financial aid into a competitive asset.

When it comes to delivering a student-centric, robust and comprehensive solution for managing financial aid in higher education, the Oracle Student Financial Planning Cloud platform stands above the competition.

**To learn how you can reimagine financial aid and spend more time on students, not process, please visit [Oracle Student Financial Planning](#).**



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