



Representing Wayne State Faculty and Academic Staff

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577-1750

aaupaft@wayne.edu

<http://home.msen.com/~aaupaft>

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Management Flunks in Financial Aid Outside Evaluators Say Administrators Fail to Meet Professional Standards: Students Suffer

Steve Babson, AAUP-AFT Executive Board

Even the most cynical critics of mismanagement at WSU would be embarrassed to read the reports by outside evaluators of our Office of Scholarships and Financial Aid (OSFA). Unfortunately, many of the personnel and policies that account for the documented failures of OSFA are still in place, and students and academic staff are still paying the price.

What Went Wrong?

Two outside organizations have issued reports on OSFA within the past two years, both confirming – and amplifying – criticisms of management practices raised in this newsletter (see the *Newsbriefs* of September 2000 and December 2001).

The report of the National Association of Student Financial Aid Administrators (NASFAA) has few positive things to say about OSFA – their short list of "strengths" fits onto a page and a half. The far longer list of recommended changes covers 29 pages, including 16 pages of "compliance exceptions" detailing "violations of federal laws, regula-

tions, or regulatory guidance" (page 21 of "Standards of Excellence Review," April 2001).

The second report by the Enterprise Process Consulting Group of SCT (Systems and Computer Technology) focuses on the many obstacles to implementing the new Banner information system that is finally bringing OSFA into the computer age and ending what NASFAA calls (p. 8) the "paper-intensive, redundant, and error-prone" system OSFA management has relied on.

The "lowlights" from the NASFAA and SCT reports:

"Given the record of management failure and denial, it is imperative that reform of OSFA be championed at the highest level of the university's decision-making process, that is, by the President and the Board of Governors."

*** Failure to Process Student Aid and Reconcile Records in a Timely Manner.**

In large part because of the failure to hire, train, and retain adequate staff (see below), there is a perpetual backlog of work processing student aid and reconciling prior years' aid. "The backlog," SCT reports, "has negative consequences for customer service and WSU enrollments. For example, we were told

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that some students who receive Financial Aid in the Fall may not return to Wayne State in the Winter term because OSFA was unable to process their financial aid in time for them to register." (SCT, 5)

*** Failure to Disburse Funds.** NASFAA likewise documents a depressing list of cases where OSFA has failed to disburse available funds to worthy recipients. WSU has failed to use its allotments from the Federal Work Study program, the Federal Supplemental Opportunity Grant, Federal Perkins Loans, Unsubsidized Federal Stafford Loans, and Loans for Disadvantaged Students in the Health Professions, returning up to 20% of the available allotments for some of these programs. "Failure to use these funds," NASFAA notes, "...may cause the university to lose this federal funding." Moreover, several of these programs "offer students a lower interest rate, better repayment terms, and should be expended before students are offered a direct loan." (NASFAA, 10-13)

*** Failure to Stabilize Management Structure.** In the past four years, OSFA has been moved through three different divisions of the university, undermining "goals that employees have invested much time and effort to develop and implement." "Frequent relocation," NASFAA observes, can "too easily absolve new management of responsibility for the department's inadequacies." (NASFAA, 10)

*** Failure to Establish Lines of Communication.** "There seems to be little or no ongoing communication among the student services departments [OSFA, Admissions, Registrar, Business Services]. This results in misunderstandings of responsibilities." (NASFAA, 10)

*** Failure to Develop Comprehensive Written Policies and Procedures.** NASFAA notes the lack of coherent procedures that is endemic to OSFA and recommends a concerted effort to address this problem. "Employees should feel 'ownership' of policies," the report adds performance in an objective manner, or consensus policies on flex and comp time. Despite the fact that the collective bargaining agreement calls for written factor (NASFAA 13), echoing the long-standing complaints of academic staff over the lack of peer-defined "factor statements" for evaluating employee

statements and flex-comp time policies, OSFA management has failed to develop either.

*** Failure to Hire Adequate Staff.** The SCT reports that at the time of their evaluation, "only nine of 14 authorized Financial Aid Counselor positions are filled." Since two of these were assigned to address the continuing backlog of work and two were assigned to the School of Medicine, there were "only five Financial Aid Counselors to process aid for all main campus undergraduate and graduate students." (SCT, 6) The AAUP-AFT has drawn attention to this problem in the past, noting that even filling authorized positions would still leave OSFA understaffed. NASFAA, likewise, emphasizes the urgent need to create additional positions within the department to handle new information technologies, noting that as the university proceeds with its implementation of the Banner software, "it is critical that OSFA employ dedicated technology staff to manage the interfaces among university systems, Electronic Data Exchange (EDE) transmissions, and SCT Banner software systems." (NASFAA, 10) Despite these recommendations, we have seen little commitment by the Administration to add such positions to the OSFA staff.

*** Failure to Provide Training.** Both the NASFAA and SCT reports draw attention to the lack of adequate training for OSFA staff. "Too much knowledge is concentrated among too few people" according to NASFAA, and "when these individuals are absent, no one else is familiar enough with procedures or policies." (NASFAA, 14) When the Administration withdrew OSFA staff from scheduled training for the new Banner system in July of 2000 "because of resource issues," SCT reported in its "Implementation Journal" (24-25) that it "now wonders where this project is going in light of [the] announcement about the training being withdrawn." Over the last two years there has been little training for implementing Banner, and current plans call for a cursory six-hour training module.

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*** Failure to Provide Adequate Compensation.**

For those who think the AAUP-AFT's complaints about low salaries for academic staff in OSFA has been self-interested carping, the SCT report should be an eye-opener. Their extended criticism of pay practices at WSU draws heavily from the previous report of PriceWaterhouse Coopers (PwC) on similar problems in Fiscal Affairs at the University: "Due to a competitive employment market, poor compensation packages, a challenging work environment, and a lack of successful employee development programs, Fiscal Operations experiences a high degree of personnel turnover and has difficulty filling its vacant positions." PwC recommends that the university not only provide training, but that it "update the compensation structure... to ensure consistency with market trends, to facilitate filling open positions and to improve retention." After quoting these observations at length, SCT states that "PwC's recommendations apply equally well to OSFA." (SCT, 7-8)

Blaming the Messenger

NASFAA notes that senior administrators complained of "staff members [who] are causing some level of dissension within the office," while supervisors reported "a lot of frustration with the four employee unions that represent financial aid staff" – the AAUP-AFT among them. (NASFAA, 37-38) It should be obvious to anyone reading the NASFAA and SCT reports that these complaints are little more than scapegoating. At the same time, it is also worth noting that OSFA employees interviewed by the same peer reviewers frequently complained that criticism of management practices is ignored and, more often than not, punished. As one commenter put it, "asking questions gets you in trouble." (NASFAA, 39)

This is part of a larger problem at Wayne State. Management's denial of responsibility for its poor performance is especially evident in a recent case reported in the December issue of Newsbriefs ("Justice Delayed is Justice Denied"). When a peer-review panel composed of equal numbers appointed by the AAUP-AFT and the Administration ruled against management in a dispute over workload and job assignments in OSFA, the university's administrators responded in

January of 2001 by simply refusing to make the report public. Only this February of 2002 – *a year later, following legal action taken under the Freedom of Information Act* – did the Provost finally divulge what we already knew in confidence: that the panel could not support the management position in this dispute and ruled in favor of the grievant.

Our Solution

The Administration solution, if it can be called such, has been to deny there is a problem, scapegoat academic staff who say otherwise, and impose top-down decisions that usually aggravate the problem and are, in any case, soon contradicted by the next round of unilateral changes.

Our solution is threefold. First, address the failures highlighted in the NASFAA and SCT reports. That is: establish coherent procedures, define meaningful responsibilities and factor statements, open lines of communication, stabilize the management structure, hire more academic staff, pay them adequate compensation, cross-train them, and finally, with these reforms in place, maximize the disbursement of available loan monies in a timely manner.

The second element of a genuine solution is especially relevant as OSFA brings the new Banner system on line and moves to new offices in the Welcome Center. With these potentially disruptive transformations on the agenda, it is imperative that the Administration replace the current management style of scapegoating and unilateral rule making with a collegial approach that engages the academic staff and all OSFA employees in a genuine collaborative effort. Without such an approach, Banner will surely fail.

The third and final element of a solution is the most critical. Given the record of management failure and denial, it is imperative that reform of OFSA be championed at the highest level of the university's decision-making process, that is, by the President and the Board of Governors. Without such a commitment, OSFA will almost certainly reproduce its dysfunctional ways, and students will continue to suffer.

Petition for Voter Choice Proposal Aims to Restore Ballot Option Supporters Can Sign at AAUP-AFT Office

The AAUP-AFT has joined a statewide petition drive to place a referendum question on the November ballot restoring the traditional right of Michigan voters to choose a straight-party ticket.

What is "Straight-Party Voting"?

For 110 years, Michigan voters have been able to choose to vote for all the candidates of one political party by pulling a single lever, punching a single hole, or marking one spot on their partisan ballot. An estimated 40% of Michigan's voters prefer to vote straight party, representing approximately 1.5 million voters each election. This option makes voting easier and quicker for those who choose it, and in no way interferes with the rights of other voters who choose to vote for each office individually.

Why a Petition?

In December, 2001, Republicans in the Michigan Legislature introduced and – with no public debate – passed the law denying voters the right to vote a straight ticket. The petition drive needs to collect 240,000 valid signatures of registered voters by March 21 so that the issue can be placed on the ballot in the

November general election. Placing the referendum question on the ballot also protects the straight-party voting choice for the 2002 election.

Were There Problems With Straight-Party Voting?

Not for voters. The local clerks who run elections, both Democrats and Republicans, want to keep straight party voting as an option that speeds the voting process and keeps lines shorter. Virtually every newspaper in the state, including the *Detroit News* and the *Free Press*, favor keeping straight-party voting as an option.

The simple fact is that restricting voter choice diminishes our democracy at a time when most of us would like to see it broadened and protected. If you would like to sign the petition, you can do so in the AAUP-AFT office on the first floor of the Belcrest apartment building on Cass Avenue between Kirby and Ferry (we have a separate door and address, 103, facing Cass Ave.). We also have extra petitions for anyone who would like to collect additional signatures.

Wayne State University Chapter

AAUP-AFT

5440 Cass, Suite 103
Detroit, MI 48202-3680

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