

SUNY Smart Track

Project Description-Student Engagement Component

Background

The SUNY Smart Track Campaign was developed to combat debt and student loan default throughout New York and set a model for the nation. The initiative will promote transparency as it relates to college costs and financial aid, and the amount of federal loan debt accumulated by SUNY students. The Student Loan Service Center (SLSC), currently used exclusively by SUNY's state-operated campuses, will be expanded to serve all SUNY campuses and provide additional services to support Smart Track. Vendor support will be needed to enhance or develop the SLSC loan servicing platform that will be used to generate new student engagement communications to SUNY federal student loan borrowers.

Smart Track services for students and campuses will include new tools to help educate students from the earliest stage of borrowing and will include financial management-financial literacy resources. Smart Track will engage those students at the highest risk of default throughout their time on campus and beyond. Engaging and working with all student loan borrowers to help them complete their degree and obtain a job after graduation will better prepare them to repay their loans and avoid the consequences of student loan default. Lowering system-wide cohort default rates will also allow SUNY campuses to avoid federal sanctions associated with high default rates.

Department of Education-SUNY Collaboration

During 2012 SUNY entered into discussions with the Department of Education (ED) and subsequently agreed to adopt the principles of the ED-developed Shopping Sheet-a standardized initiative to make college costs and financing transparent to consumers. The result was the development of the SUNY Award Letter which will be implemented during the 2013-2014 academic year.

SUNY also continued to meet with ED to discuss system-wide strategies that would address the expected rise in campus default rates. According to federal

data projections, the recent change from a two-year cohort default window to a larger three-year window would result in an increased number of defaulters- leading to a national spike in student loan default rates for all college sectors. As a result of these discussions, SUNY developed a Default Prevention Task Force and began collaborative discussions regarding strategies to address student success and default prevention.

Initial Task Force meetings were held at SUNY Administration with representatives from the Department of Education and statewide campuses. Invitations were initially extended to SUNY Community College colleagues and campus representatives from the following offices: Financial Aid, Admissions- Enrollment Management, Academic Affairs, Registrar, and Business Office. SUNY Administration established an internal project team that included representatives from the SUNY Office of Student Financial Aid, Office of Community Colleges and the Office of the Provost-including Academic Affairs and Enrollment Management.

SUNY Stakeholders

Ongoing discussions with the Department of Education highlighted the importance of partnering with key campus and external stakeholders in the development of effective student retention and default prevention strategies. This supports a commonly acknowledged industry motto, “It’s Not Just a Financial Aid Problem”.

SUNY’s Smart Track initiative will include collaborative strategies that are developed by SUNY stakeholders from campus offices that will include: Admissions-Enrollment Management, Academic Affairs-Student Services, Financial Aid, Registrar-Business Office, Career Services, IT and other campus offices.

SUNY will also collaborate with external stakeholders to promote the services that are available from: the U.S. Department of Education, the Federal Consumer Financial Protection Bureau, the NYS Department of Labor- Career Zone Office, the Department of State-Division of Consumer Protection and other external service partners.

Potential SUNY Stakeholder Benefits

As announced in a recent SUNY Press release, Smart Track is expected to reduce student debt and SUNY student loan default rates. Smart track also has the capability to provide added benefits for campus stakeholders, such as those described below:

Admissions-Enrollment Management: SUNY's ability to provide new student services in the form of student engagement communications will be an effective admissions tool and will help to better recruit and retain students.

Academic Affairs-Student Services: New student engagement communications will reinforce available on-campus academic resources and other student services and should increase student demand for services- leading to improved student retention and persistence rates.

Financial Aid: Default prevention "Best Practices" will be identified during the development of the project and will be shared across the SUNY System.

Registrar-Business Office: Since Smart Track efforts are intended to keep students in school, it will result in added financial benefits for the campus. Title IV funds can be maintained by the student and campus if a student doesn't withdraw, eliminating the need for 3rd party campus collections.

Career Services: New student engagement communications will be sent to students informing them of available on-campus career services, allowing students to seek early guidance regarding career fields, occupations, salary projections and corresponding academic programs.

Project Measurement

An effective Smart Track measurement process will be implemented at project inception, and will ultimately be expanded in collaboration with campus administrators and campus IT staff. Initial project measurement will review and compare:

- annual SUNY campus retention rates;
- annual Delinquency Data, the number of the early and late stage loan delinquencies as reported on the schools NSLDS Delinquency Borrower Report (DELQO1);
- annual Default Data, the number of Federal and Direct Loans that enter default during the measurement year as reported on the school's NSLDS Delinquent Borrower Report (SCH PR1)
- annual comparison of students who withdraw during the measurement year as reported on the school's NSLDS School Portfolio Report (SCHPR1); and
- the effectiveness of SLSC email communications sent to enrolled and in-grace SUNY student loan borrowers. The SLSC or SLSC vendor will have the ability to determine if email communications are subsequently opened and whether the student loan borrower clicked on campus resource attachments/links.

Campus IT project measurement support will not be required during the initial phase of the project, however ongoing campus feedback will be critical to the success of the Smart Track project. For example, Smart Track project staff will be seeking campus feedback regarding trends associated with an expected and increased student demand for on-campus academic support and other student support services.

Student Engagement-Retention Model

Research continues to show that many high school graduates are academically, financially and socially unprepared for college. To be successful, a student must utilize the wide range of campus provided support services, which they may or may not seek out or explore on their own. Social adaptation is another crucial element for college success since isolation and failure to adapt is a known predictor of withdrawal. Therefore, the Smart Track model will collaboratively identify and deliver information regarding on-campus academic support and other student services intrusively, by initiating contact with students and aggressively bringing support services to them- rather than offering services somewhat passively. As part of the Smart Track initiative, Best Campus Practices will also be identified, shared and replicated across the system.

Industry research and higher education organizations continue to support a more pro-active engagement and intrusive approach to student counseling and retention.

The Center for Community College Engagement (CCCE) acknowledges in their national retention practices report "A Matter of Degrees: Promising Practices for Community College Student Success", that intrusive advising is a "promising practice".

The American Association of Community Colleges (AACC), in their "2010 The Completion Agenda-A Call to Action Report", encourages colleges "to strengthen communication to students via telephone calls and e-mails".

To promote student success, the Department of Education Office of Student Financial Aid recommends that colleges connect with students while students are still enrolled and during their grace period.

Additional research that supports this model includes:

"It has been found that college students under-utilize academic support services (Friendlander, 1980; Walter & Smith, 1990), especially those students who are in most need of support (Knapp & Karabenick, 1988; Abrams and Jernigan, 1984). At-risk students, in particular, have trouble recognizing that they are experiencing academic difficulty and are often reluctant to seek help even if they do not recognize their difficulty (Levin & Levin, 1991). Academic support programs designed for underprepared students exert a statistically significant effect on their retention and grades when they are utilized, especially if these services are utilized by students during their freshman year (Kulik, Kulik, & Shwaib, 1983).

According to the Noel-Levitz "2011 Student Retention Practices Report", a strong academic support program, and programs designed for 1st-year students are both highly ranked effective practices for two-year and four-year institutions.

The 2011 National Freshman Attitudes Report, a 100-item attitudinal national survey completed in the fall of 2010 during freshman orientation by 99,368 incoming first-year students at 321 colleges and universities nationwide, revealed that a variety of attitudes that may compromise a student's ability to engage with

their coursework, suggesting the importance of engaging students via academic intervention: Only 55% of students at two-year institutions believed they were capable of writing a clear and organized college paper, with 65-67% responding the same at four-year schools. Math was also reported to be troublesome (48%) for first-generation students and non-traditional age freshman (53%). Approximately half of incoming freshman nationally indicated that they welcomed academic assistance in the form of writing, math and study skills, and the percentage was even higher for students attending two-year schools and first-generation students. Also, nearly one-third of all freshman respondents reported substantial levels of financial anxiety that were “very distracting and troublesome” - leading to the conclusion that incoming students lacked available financial resources and/or financial management coping skills.

Financial Literacy Services

Smart Track includes new financial literacy-financial management services, tools and resources for students and families. SUNY is currently seeking a vendor partner through the state procurement process, which will provide services to all campuses, SUNY students and families. It is anticipated that new financial literacy services will be available by fall 2013.

Default Predictors-Risk Assessment

Until the SLSC or SLSC vendor has the capability to analyze system-wide NSLDS data, initial Smart Track Student Engagement-Communications will be sent to all federal student loan borrowers. As part of the Smart Track Student Engagement project, the SLSC or SLSC vendor will retrieve NSLDS data for all campuses which will be hosted on an expanded or new SLSC Loan Servicing Platform. Once this process is fully implemented, SUNY will have access to system-wide loan and student demographic data so that new student engagement communications can begin.

Once the data analysis component of this initiative is implemented, SLSC communications can be generated to student loan borrowers based on specific categories of default risk. The following Department of Education and industry recognized default characteristics may also be used in the development of SUNY’s risk assessment model:

- Students who fail to maintain satisfactory progress
- Students on academic probation
- Students at risk of default, such as delinquent student loan borrowers
- Students who borrow more than the campus or system average-including private loans
- Community College students
- Students taking remedial courses-representing almost 50% of incoming community college students, where only 64% currently return for their second year
- Students working more than 20 hours per week
- Students who frequently change academic programs
- Students from low-income backgrounds/No Expected Family Contribution
- First generation student
- Students who fail to persist- and continually drop courses
- Late registrants

Campus Student Engagement Plan: Communications by Month/Week

A Smart Track student engagement-communications plan will be developed in collaboration with individual campuses. Communications are not intended to replicate existing campus communications or initiatives, but to engage students throughout their academic career via email (and when/if approved-text messages) to promote student success. Targeted communications will be sent to SUNY federal student loan borrowers by the SLSC, and will focus on 3 primary retention and default predictors:

- Academic Success: promote available academic assistance and other campus support services
- Social Adaption: promote campus clubs, organizations and ongoing events
- Early identification of Student's who intend to withdraw/or withdraw: engage students and refer students to available campus services and resources- encourage all students to continue college studies; e-engage students during grace period and provide information regarding loan repayment options and consequences of default.

Note: Funding will be explored to provide campuses with early and mid-stage delinquency resolution services, beyond the student loan borrower's grace period.

Initial SLSC Smart Track Communications

Initial fall semester communications for all campuses will include an Introductory, co-branded SLSC-SUNY (Campus) communication with the heading, "Welcome to SUNY (Campus)". The initial communication will introduce the SLSC as a SUNY Service Provider, and will follow with a summary of available on campus services that the student will be encouraged to maintain for future reference.

Additional academic semester communications will be developed in collaboration with campus administrators and will be implemented by the SLSC after campus approval.

Revised Draft February 26, 2013