

From Long Lines to Better Service: A Cost Savings Approach

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The roar of the crowd. The line of anxious individuals. The anticipation of how fast the line will move. One would think a popular rock star just put their long awaited concert tickets on sale. However, in reality, it was just tuition payment due date at Elgin Community College (ECC). For years, ECC experienced rapid growth as the district's population grew and the economic climate drove programs to be added to the current offerings. However, policies, office structures, and computer systems that maintained order in the early 1980s were no longer providing state of the art services for the 21 century student. As with so many institutions across the nation, the balance of improved student service and fiscal responsibility was the main concern of ECC's financial managers. As new senior management and directors were ushered into the College in the early 2000s, the hard questions were being asked, "What does ECC need to change to better serve the student?" and "What infrastructure do we need to create and budget for in order for our plan to be successful?" These questions took many years to be answered and realized; yet, the wait was worth all that was gained in the end.

Established in 1949, Elgin Community College is located midway between Chicago, IL and Rockford, IL in the Fox River Valley.

At ECC's Main Campus, twelve buildings grace a picturesque 145-acre campus. More than half the total square footage of buildings has been constructed since 1991. It's a modern network of buildings where learning is enhanced by the latest equipment, Internet and wireless access and computer instruction across the curricula. ECC is outfitted for the future and continues to grow to meet the ever-changing needs of our students. Just three miles east of the Spartan Drive Campus on Elgin's historic eastside is the Fountain Square Campus, a restored retail building in the heart of downtown. Major offerings at this campus are adult and basic education and English as a Second Language.

Currently, ECC serves approximately 16,000 students annually with 70% of those students being part-time students. Almost half of the student population is under the age of 23 while the average age of an ECC student is 28 years old. Sixty percent of enrolled students are preparing to transfer to another institution of higher education once completing their education at ECC.

Tuition dollars collected for the fiscal year ending June 30, 2008 were \$15,501,046. For Spring 2009, the in district tuition rate is \$91 per credit hour.

For many terms, the Student Accounts Office at Elgin Community College faced many challenges as students attempted to register and pay for their classes. To begin, the ticket window style office structure did not allow for confidential discussions of a student's financial record. Additionally, being across from the student lounge, the volume from student events and socializing created great hardship for the staff to hear the student's question or even their student ID. Secondly, the legacy system that existed prior to Spring 2005, did not provide for any online students services. All payments were made either in person or by a touchtone phone system. As ECC grew in enrollment thus in payments, this contributed to significant lines around payment due date. Thirdly, our payment policy only allowed for one drop for non-payment per term. Therefore, as many students decide to enroll in their classes very close to the start of classes, a large amount of ECC's student population would have an unpaid balance either while sitting in the classroom or assume they were dropped for non-payment since they were not in attendance. Lastly, the communication between the two student financial departments of the College was very poor due to reporting structure and the lack of correlating student or office procedures.

Three main components were incorporated into ECC's plan to improve student financial services. As early as 2001, the concept of the Student Financial Services model was introduced to the management team of the Business and Finance Division. Within this model, the integrated structure of the Financial Aid Office and the Student Accounts Office provides a one stop, highly efficient, student focused department while still maintaining segregation of duties of awarding and disbursing of Federal Aid. In the summer of 2004, ECC restructured the reporting lines of the Financial Aid Office from the Vice President of Instruction to the Vice

President of Finance. At that time, the Director of Financial Aid would then report directly to the Controller of the College (now, the Senior Director, Student Financial Services). The personnel in each of the Financial Aid and Student Accounts departments maintained their positions and respective duties. Their access into the current legacy system was unchanged in order to satisfy the need for segregation of duties. The main focus of this restructure was to establish strong lines of communication between the Financial Aid office and the Student Accounts office. Students many times did not understand the process of applying for aid and what they needed to do to maintain their class enrollment. The goal was for a student to be able to physically go to either office and receive the same message regarding their financial account. Staff meetings, joint effort on award reconciliations, and cross training were some of the early agenda items to be addressed in the first few months.

The second component of ECC's re-design of student financial services was to improve the payment method technologies as well as policies that surround these technologies. In 2003, it was decided by senior management to move forward with the planning and implementation of a fully integrated ERP system that would eliminate the need for our home grown legacy system. This new system could provide the College with online student service capabilities and one central database of all student information. ECC chose to add the Colleague Datatel Student module to the existing Financial and Human Resources modules that had been implemented years before. In April 2005, the Student module went live with Summer and Fall 2005 registration. This immediately provided all student service departments with access to real time information on enrollment, billing, and Financial Aid. Then, after a few terms of experience, the College then decided to enhance their use of the integrated system. One enhancement used the creative technologies of the system to provide a daily drop for non-payment policy. As

mentioned before, students historically could attend a class and be given a grade without ever paying the entire cost of the class. Therefore, the College's outstanding accounts receivable balance would grow dramatically each term which in turn created a large bad debt write-off at the fiscal year end. This new payment policy stated that a student must pay for their classes for each term by the prescribed payment due date. Any registration after that date required the student to pay in full by 7pm the next calendar day, go on a payment plan, or secure their financial aid. In order for this policy to be carried out, ECC's Information Technology department was instrumental in creating a mechanism for the Student Accounts managers to isolate those students who fail the payment policy on a daily basis and then schedule Datatel to process the drops and revised billing necessary for each student. A cross functional team was created with staff from Admissions, Registration, Retention, Financial Aid, and Student Accounts to discuss the revised policy, make any suggestions for implementation, and to aide in dissemination of information to students in Spring 2007. This team was a key element for this new student policy to be successful.

Also at this time, ECC decided to purchase the Touchnet on-line payment plan system that provided real-time student activity and 24/7 service for students to finance their education. This Datatel partner product was able to provide payment plans to students that incorporated current registration information immediately after the student adds or drops a class. This attractive feature allowed the payment plan to be truly a 24/7 payment option. Through the expert technological abilities of ECC's Information Technology staff, the payment plan was rolled out for Spring 2007 classes allowing students a single sign-on through the web student portal and easier navigation. Therefore, ECC adhered to their policy of password security while still outsourcing the function of payment plans. The cost of implementation of this product was

more than many competitors, however, the customer service, speed of cash flow to ECC's bank account, and the integration of Datatel outweighed the one time implementation fee.

Furthermore, with the assessment of a \$25 setup fee for each plan per student, ECC is able to fund the annual maintenance cost through this nominal fee.

Lastly, the Student Accounts office began a re-modeling process in late spring 2007. As mentioned previously, the current structure which had a ticket window appearance made privacy and true student service near impossible. Therefore, senior management approved the remodel of the current space as well as expanding it to include a vacated area behind the office. After three months of re-modeling, the new Student Accounts office provides a welcoming lobby with a tall counter with privacy panels where front line Student Account Assistants can assist students with payments, questions on payment options, and other various inquires. This reconfiguration also provided all new office furniture, storage cabinets, three offices for managers and the Student Financial Services systems analyst as well as a conference room equipped with a computer/printer for any private student/family conversations that are needed. The conference room also allows for non-disruptive staff meetings to be held. A work area with a large privacy wall was established towards the back of the office which also houses triple the amount of file and cabinet space that existed before the remodel. The architects were conscious of the need of more work space for staff so an additional cubical and work room computer station was included in the design. Staff today uses this area to make pre-collection calls, courtesy calls for waitlisted students, and various projects given to them by their managers. ECC was able to use budgeted remodeling funds to offset the cost of the construction, refurnishing, and other miscellaneous supplies. Fortunately, many functions of the remodeling such as painting could be done by ECC operation and maintenance employees who provided some cost savings.

Throughout all these stages of improvements we had the following individuals or groups of individuals as part of the process: Finance Office (senior management to staff), Student Account Office managers, Financial Aid Office managers, the Registrar, Admissions staff, Information Technology, and Operations & Maintenance (re-modeling project). These key people provided ideas to explore, direction on how to deliver our ideas to the students, and support during the implementation period.

The first stage of improving student service was the implementation of the Student Financial Services model. This concept needed to be discussed and then put into action as early as possible. This idea must be endorsed by the institution's Board as well as the President in order for it to be successful in any organization. Once it has been decided, the Student Financial Services director then must provide an avenue of communication that is two way and without territorial struggle between the two offices. It is an organizational culture shift that does take time to become accepted but with hard work, great communication, and realized improvements in people's work, it will become part of the everyday culture.

The second stage needs to address the infrastructure of the college's information technology. In the 21st Century, students want their information now and with little need to speak with another human being. ECC realized very early that an improvement needed to happen therefore with budget planning and a dedicated core implementation team, ECC operates on an integrated system where services can be up to the standards of our students.

The third stage was providing our enhanced payment plan system and the new drop for non-payment policy. ECC migrated to a more heavily online environment with the Datatel implementation which supported a student portal. Students who were used to and comfortable paying in person for their payment plan had a more difficult adjustment. Training sessions and

educated staff members made the transition smoother. ECC was fortunate to have an outstanding IT department throughout the system and payment plan implementation and the daily drop policy creation. A school without a strong and devoted IT team will certainly have struggles creating processes that are helpful to the student as well as beneficial to the back office staff. Programmers, system administrators, and IT directors played critical roles in writing code, managing our student portal, and syncing student IDs and Passwords.

Finally, the remodel of the Student Accounts Office provided a space to properly deliver the enhanced services to students. As with many construction projects, the cost of a project can be rather fluid as change orders or furniture selection is being done. However, it is important for the staff workers who are working in the department to truly communicate what are their absolute needs while the budget officer realizes what can and cannot be done. The buy-in and collaboration with staff members ushers in higher employee satisfaction and productivity. In the end, all those involved have the same goal of providing a welcoming environment for students to obtain knowledgeable and private financial assistance.

There are many superb financial benefits that Elgin Community College have experienced as a result of the changes made to the Student Financial Services area of the College. The annual bad debt write-off has decreased 77% from close to \$900,000 in FY2006 to \$200,000 in FY2008. ECC utilizes the direct write off method of accounting for bad debt. The drop for non-payment policy truly made those accounts receivable reasonable from the standpoint that the student with a balance received educational services versus those that never made the attempt to come to school. Additionally, accounts sent to our outsourced collection agency have significantly decreased by 91% from 2,136 accounts (\$1,218,641) in Fall 2006 to 193 accounts (\$100,155) in Fall 2008. This resulted in a significant decrease in annual collection fees. However, the best

benefit ECC has been able to share with their students is a no tuition increase for fiscal year 2009 (beginning the summer 2008 term) which currently is rare among ECC's peers during such difficult economic times.

Even though many students argued the policy as they felt it provided financial hardship upon them to establish payment arrangements by a prescribed payment due date, there was a significant decrease in student complaints and overall student phone calls. This policy change did not require additional positions in either Student Accounts or in the Financial Aid office as processes were streamlined and new technologies made previously manual payment options self-service to students. So, with less manual processes existing within the Student Accounts and Financial Aid offices, staff now has the time and resources to make outreach calls to students who have account balance issues or to follow-up on student financial assistance questions. Overall, the online, 24/7 payment option environment which also enhanced the efficiencies in back office functions, continues to provide countless intangible benefits to the staff daily.

Fortunately, there are very few steps that in retrospect would have been more beneficial if done differently. However, there are a few avenues that could have been taken to make the road a smoother one for implementation. First, the drop for non-payment policy and the new payment plan system were implemented in the middle of an academic year. The communication to the students and the training of the staff may have been better executed if it were done at the beginning of a summer term. There would have been fewer students to usher into the new processes and perhaps more time for the learning curve of the staff to be addressed. Additionally, within the implementation timeline of the new payment plan system, ECC were very optimistic of how the system would integrate with our Datatel system. Therefore, ECC opted at the suggestion of a consultant for only four weeks of system set-up. However, the time

that ECC's IT department needed to code or work with the existing web features was not considered till after implementation began so an additional two weeks would have been truly helpful.

In summary, long lines at ECC are a concept of the past and a distant memory for some already. For many years Elgin Community College has made it an initiative to balance fiscal responsibility while providing excellent student financial services throughout the Student Accounts and Financial Aid offices. The groundwork has been laid, the cost savings institutionalized, and now further improvements in student financial services can be made explored.