

## **Goal 5: Enhance the Quality of and Access to Postsecondary and Adult Education**

### **Performance Goals**

#### **Postsecondary Enrollment**

The Department's programs have contributed to significant [improvements in postsecondary access](#). As of 2003, the overall college-going rate for high school graduates stood at 63.9 percent, with more than 16 million students enrolled at degree-granting postsecondary institutions. Furthermore, college enrollment figures for TRIO Talent Search, a program designed to support the college enrollment of students from disadvantaged backgrounds, surpass the national average for all high school graduates.

#### **Postsecondary Persistence and Completion**

The Department provides services to ensure that increasing numbers of Americans gain access to a postsecondary education, persist in school, and complete their college education. Successful completion of [postsecondary education increases future employability and wages](#). The most recent data available for persistence and completion rates for students in the aggregate and for students from disadvantaged backgrounds show general trends of improvement.

#### **Student Financial Assistance Award Accuracy**

One of the key determinants for ensuring access, persistence, and completion in postsecondary institutions has been the extensive support of [financial aid](#) to low- and middle-income students. The Department administers more than \$400 billion in direct loans, guaranteed loans, and grants to postsecondary students and their families. Recent achievements include the removal of student financial assistance programs from the Government Accountability Office's high-risk list in January 2005 and a declining Pell Grant overpayment rate.

#### **Strengthening Institutions That Serve Underrepresented Populations**

The Department's institutional aid programs strengthen and improve the quality of programs in hundreds of postsecondary education institutions that serve low-income and minority students, including Historically Black Colleges and Universities, Historically Black Graduate Institutions, Tribal Colleges and Universities, Alaska Native and Native Hawaiian-Serving Institutions, and Hispanic-Serving Institutions. By expanding and enhancing academic quality, institutional management, and financial stability at these institutions, the Department reduces gaps in college access and completion among differing student populations, improves academic attainment, and strengthens accountability.

#### **Vocational Rehabilitation**

Over the past year, the Department has made significant progress in improving the timeliness of its vocational rehabilitation data. The FY 2004 Case Service Report database was completed within five months of the close of the fiscal year, a 10-month improvement compared to FY 2002 and prior years. Reviews of state performance data to correct

problems and improve services to customers have also been completed more promptly in FY 2005 than in prior years.

The Department measures state vocational rehabilitation agencies' progress by monitoring the percentage of individuals receiving services who achieve employment. In FY 2004, about two-thirds of state vocational rehabilitation agencies achieved the outcome criteria set by regulatory indicators.

### **Adult Learning**

In an age of rapid economic and technological change, lifelong learning can provide benefits for individuals and for society as a whole. New data on adult learners this year show steady increases in the success rates of adults in meeting high school completion goals and in English literacy acquisition.

### **Expanding Global Perspectives**

The Department's international education and graduate fellowship programs have helped thousands of students, particularly at the graduate level, prepare for careers in areas of national need, including foreign languages and area studies. Departmental support for foreign languages, area studies, and international studies at American colleges and universities ensures a steady supply of graduates with expertise in less-commonly taught languages, geographic areas, and international issues. The Department measures progress by the expansion of critical languages taught at National Resource Centers, employment of center Ph.D. graduates in targeted areas, and improved language competency. FY 2005 was the first year in which targets were set for these measures.

## **Goal 5: Enhance the Quality of and Access to Postsecondary and Adult Education**

### **Key Measures**

In FY 2005, the Department administered 44 distinct programs that supported the objectives of Goal 5. Each of these programs established measures and targets to determine its effectiveness. From this master set of measures, the Department identified 20 key measures that focus on significant areas of performance related to Goal 5.

See p. 58 for an explanation of the documentation fields for key measures.

#### **Postsecondary Enrollment**

In fall 1980, just over 12 million students were enrolled at degree-granting postsecondary education institutions and the college-going rate for recent high school completers was 49 percent. That [rate](#) stood at 63.9 percent in 2003, and more than 16 million students are enrolled at degree-granting postsecondary institutions. The Department's programs have contributed to these significant improvements in postsecondary access.

Increases in the overall enrollment of students in postsecondary education have followed commensurately with the Department's continued commitment to provide financial aid for low- and middle-income Americans. The percentage of full-time undergraduates receiving [institutional aid](#) and the average amount awarded increased at both public and private not-for-profit four-year institutions during the 1990s, with students receiving an increasing proportion of [federal loans](#). As the largest source of student financial aid, the Department provides approximately \$70 billion annually in grant, loan, and work-study assistance to some 10 million postsecondary students and their families.

A particular focus for the Department is to support students from disadvantaged backgrounds in their enrollment, persistence, and completion of a postsecondary education. The federal TRIO programs, in particular, include discrete outreach and support programs targeted to serve and assist low-income, first-generation college students and students with disabilities to progress from middle school to postbaccalaureate programs. The TRIO name, which constitutes a group of grant programs authorized under the *Higher Education Act*, comes from the 1960s when TRIO consisted of three programs. In FY 2005, the Department continued our concerted effort to make the TRIO programs an integrated service delivery system, which is expected to result in a higher level of success for students who are served by these programs, and which also makes sound fiscal sense.

The Department also promotes enrollment and success in postsecondary education for students from disadvantaged backgrounds through the Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR-UP), which provides services at high-poverty middle and high schools. GEAR-UP grantees serve an entire cohort of students beginning no later than the seventh grade and continuing through high school. GEAR-UP funds are also used to provide college scholarships to low-income students.

The Department measured immediate postsecondary enrollment for all high school graduates aged 16 through 24, as well as college enrollment for TRIO Talent Search,

Educational Opportunity Centers, and Upward Bound participants, to track postsecondary access trends. Recent data indicate that college enrollment for TRIO Talent Search participants surpasses the national average for all high school graduates, while enrollment for the predominantly low-income, first-generation potential college students using the services of the Educational Opportunity Centers fall below the national average. While no recent data are available for Upward Bound participants, data from 2000 show that these students slightly exceeded the national average for college enrollment.

<b>5.1 Student Financial Assistance Programs.</b> The percentage of high school graduates aged 16 through 24 enrolling immediately in college.	
<b>Fiscal Year</b>	<b>Actual</b>
1995	61.9
1996	65
1997	67
1998	65.6
1999	62.9
2000	63.3
2001	61.7
2002	<b>65.2</b>
2003	<b>63.9</b>
2004	Target is 67.
2005	Target is 67.

We exceeded our 2002 target of 63.8.  
We did not meet our 2003 target of 64.1.  
Data for 2004 and 2005 are pending.

U.S. Department of Education, National Center for Education Statistics, *Condition of Education 2005*, Student Effort and Educational Progress, Table 20-1.

**Analysis of Progress.** The percentage of high school graduates aged 16 through 24 enrolling immediately in college has fluctuated since 1995, with data for 2002 and 2003 indicating an increase in the percentage of high school graduates enrolled since 2001, which was the last year of data previously reported. In terms of meeting departmental targets, results were mixed in 2002 and 2003, as we exceeded our target for 2002 but did not meet our target for 2003.

This indicator is affected by economic conditions, and so the slight fluctuations can be explained in part by changing economic conditions. Generally, students tend to take jobs rather than go to college when the economy is strong. These economic

conditions vary for groups aggregated within the measure—students enrolling in two-year versus four-year institutions, and minority students versus the overall student population.

To support increasing access to postsecondary education, the Department continues to simplify and integrate financial aid systems so as to increase the growth in the use of electronic applications and correspondingly decrease the number of paper applications for federal financial aid, with the goal of making access to financial aid easier. In the long term, No Child Left Behind focuses on raising the achievement levels of elementary and secondary students so that all students will be better prepared for enrollment in postsecondary education.

Three Government Accountability Office evaluations on various aspects of student financial assistance programs have led the Department to respond in several areas of focused improvements in the disbursement of financial aid in relation to tax preferences. See evaluation summaries, p. 170-71, for key findings, recommendations, and the Department's response.

**Data Quality.** Postsecondary institutions supply data through the National Center for Education Statistics Integrated Postsecondary Education Data System. Institutions certify the accuracy of the data and the National Center for Education Statistics conducts checks for data quality.

**Target Context.** Each percentage point increase represents a significant increase in the number of students enrolling in college. The target of 67 percent for 2004 and 2005 is ambitious and represents the Department’s goal of increasing the percentage of high school graduates that enroll immediately in college.

**Related Information.** See <http://www.ed.gov/offices/OSFAP/Students/student.html> for information about the student financial assistance programs. See <http://nces.ed.gov/programs/coe/2005/section3/table.asp?tableID=268> for enrollment data from the *Condition of Education 2005*.

**Additional Information.** Data for FY 2004 will be available in March 2006. Data for FY 2005 will be available in March 2007.

5.2 TRIO Talent Search. The percentage of Talent Search participants enrolling in college.	
Fiscal Year	Actual
2000	73
2001	77
2002	78
2003	<b>73</b>
2004	Target is 73.5.
2005	Target is 74.
Data for 2004 and 2005 are pending.	

U.S. Department of Education, Office of Postsecondary Education, TRIO Annual Performance Report, grantee submissions.

**Analysis of Progress.** Between FY 2000 and FY 2003, about three-fourths of Talent Search participants enrolled in college, above the national average (see measure 5.1). No targets were set for this measure until FY 2004.

The number of Talent Search participants enrolling in college, despite their disadvantaged backgrounds, reflect lessons gained from earlier cohorts of program participants.

Effective communications mechanisms and targeted technical assistance have led to sharing best practices and to achieving improvements in program outcomes.

**Data Quality.** These data are self-reported by grantees. Program staff employ data quality checks to assess the completeness and reasonableness of the data submitted.

**Target Context.** Targets for FY 2004 and FY 2005 were set before data for FY 2001 through FY 2003 were available.

**Related Information.** See <http://www.ed.gov/programs/triotalent/index.html> for information about the Talent Search program. See <http://www.ed.gov/about/offices/list/ope/trio/index.html> for information about the federal TRIO programs.

**Additional Information.** Data for FY 2004 will be available in December 2005. Data for FY 2005 will be available in December 2006.

The Talent Search program identifies and assists individuals from disadvantaged backgrounds who have the potential to succeed in higher education. The program provides academic, career, and financial counseling to its participants and encourages them to graduate from high school and continue on to the postsecondary institution of their choice. Talent Search also serves high school dropouts by encouraging them to reenter the educational system and complete their education.

<b>5.3 TRIO Educational Opportunity Centers.</b> The percentage of TRIO Educational Opportunity Centers participants enrolling in college.	
Fiscal Year	Actual
2000	57
2003	57
2004	Target is 57.
2005	Target is 57.5.
Data for 2004 and 2005 are pending.	

U.S. Department of Education, Office of Postsecondary Education, TRIO Annual Performance Report, grantee submissions.

**Analysis of Progress.** In FY 2003, more than half of all TRIO Educational Opportunity Centers program participants enrolled in college. The first target was set for FY 2004, and data are pending.

**Data Quality.** These data are self-reported by grantees. Program staff employ data quality checks to assess the completeness and reasonableness of the data submitted.

**Target Context.** Increasing targets reflect the aim of the TRIO Educational Opportunity Centers program to increase the percentage of adult participants enrolling in college.

**Related Information.** See <http://www.ed.gov/programs/trioec/index.html> for information about the Educational Opportunity Centers program. See <http://www.ed.gov/about/offices/list/ope/trio/index.html> for information about the federal TRIO programs.

**Additional Information.** Data for FY 2004 will be available in December 2005. Data for FY 2005 will be available in December 2006.

The Educational Opportunity Centers program provides counseling and information on college admissions and financial aid options to qualified adults who want to enter a program of postsecondary education.

<b>5.4 TRIO Upward Bound.</b> The percentage of Upward Bound participants enrolling in college.	
Fiscal Year	Actual
2000	65
2004	Target is 65.
2005	Target is 65.
Data for 2004 and 2005 are pending.	

National Evaluation of the Upward Bound program.

<b>5.5 TRIO Upward Bound.</b> The percentage of higher-risk Upward Bound participants enrolling in college.	
Fiscal Year	Actual
2000	34
2004	Target is 35.5.
2005	Target is 36.
Data for 2004 and 2005 are pending.	

**Analysis of Progress.** The 65 percent of Upward Bound participants enrolled in college in 2000 represents a rate higher than the national average for the same year of 16- to 24-year-old high school graduates enrolling immediately in college (see measure 5.1). However, the review under the Program Assessment Rating Tool found that Upward Bound has limited overall effects because it fails to target higher-risk students. The targets for 2004 and 2005 reflect the Department's efforts to target higher-risk students while maintaining the current level of overall college enrollment. Data for these measures, collected by cohort, should be available by 2006.

FY 2004 is the first year for which grantees will be required to report on these measures. New annual performance reports were created to capture the data for this measure. Data for these measures were not collected for FY 2001 through FY 2003, but data for FY 2000 are available from a national evaluation of the Upward Bound program.

**Data Quality.** It takes roughly five years from the point of service for enrollment data to reflect the program's impact because the program offers services to high school students beginning in their freshman year, and grantees frequently do not submit their final performance report until a year after the student enrolls in college. These data are self-reported by grantees. Program staff employ data quality checks to assess the completeness and reasonableness of the data submitted.

**Target Context.** The program's effectiveness with higher-risk students is expected to increase by one-half of 1 percent for each year, from 2004 until 2010, as a result of improved program management and learning from earlier successes.

**Related Information.** See <http://www.ed.gov/programs/trioupbound/index.html> for information about the Upward Bound program. See <http://www.ed.gov/about/offices/list/ope/trio/index.html> for information about the federal TRIO programs.

**Additional Information.** Data for FY 2004 will be available in December 2005. Data for FY 2005 will be available in December 2006.

Upward Bound provides fundamental support to participants in their preparation for college entrance, with instruction in mathematics, laboratory science, composition, literature, and foreign language. Upward Bound serves high school students from low-income families, high school students from families in which neither parent holds a bachelor's degree, and low-income, first-generation military veterans who are preparing to enter postsecondary education.

## **Postsecondary Persistence and Completion**

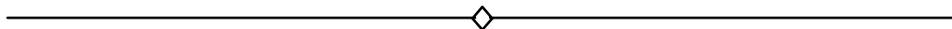
The Department provides services to ensure that increasing numbers of Americans gain access to a postsecondary education, persist in school, and complete their college education. Successful completion of [postsecondary education increases future employability and wages](#). In fact, data from the Census Bureau for 2004 show that earnings for workers 18 and over are considerably higher for those workers with a bachelor's degree than those with a high school diploma; on average, earnings are \$51,206 and \$27,915 a year,

respectively. The most recent data available for persistence and completion rates for all students and targeted groups show general trends of improvement.

TRIO Student Support Services and McNair Postbaccalaureate Achievement programs address the challenges that disadvantaged students, many of whom are minority, face in terms of achieving higher rates of postsecondary persistence and completion by providing them with support throughout the postsecondary experience. In FY 2005, performance data for the [TRIO Student Support Services](#) and the [TRIO McNair Postbaccalaureate Achievement](#) programs showed significant progress in the outcomes of program participants:

- The average cumulative grade point average of the 1998–99 Student Support Services cohort in four-year institutions improved from 2.3 in their freshman year to 2.6 in their senior year.
- The graduation rate of Student Support Services students served in two-year institutions has increased, with about 7 percent of the 2000–01 freshman cohort completing associate’s degrees; over 5 percent of the 1998–99 freshman cohort received associate’s degrees.
- The percentage of McNair graduates entering graduate school increased each year, from 13 percent in 1998–99 to 39 percent in 2000–01.
- In 2000–01, 93 percent of McNair students who enrolled in graduate school immediately after graduation were still enrolled after one year.

The Department measured completion rates for full-time, degree-seeking students and TRIO Student Support Services students’ persistence and completion rates at the same institution. Furthermore, the Department measured enrollment and persistence in graduate school for McNair participants. Completion rates for full-time students hover at 54 percent, and persistence rates for TRIO Student Support Services and McNair participants continue to increase.



**5.6 Student Financial Assistance Programs.** The percentage of full-time, degree-seeking students completing a four-year degree within 150 percent of the normal time required.

Fiscal Year	Actual
1997	52.5
1998	52.6
1999	53
2000	52.4
2001	54.4
2002	54.4
2003	<b>54.3</b>
2004	Target is 55.
2005	Target is 55.

Data for 2004 and 2005 are pending.

U.S. Department of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System, Graduation Rate Survey.

process the most recent policy-relevant information first, so analysis and reporting began with FY 2003 and moved backwards to FY 2002 and then to FY 2001. FY 2001 data are the only previously unpublished data.

**Data Quality.** Prior to the implementation of the Graduation Rate Survey in 2002, institutions representing 87 percent of four-year students voluntarily submitted data; effective with 2003–04, data submission was mandatory.

**Related Information.** See <http://nces.ed.gov/ipeds/form1997/grsguide.pdf> for guidelines for survey respondents for the Graduation Rate Survey. See <http://www.ed.gov/offices/OSFAP/Students/student.html> for information about the student financial assistance programs.

**Additional Information.** Data for FY 2004 will be available in March 2006. Data for FY 2005 will be available in March 2007.

**Analysis of Progress.** Previously published FY 2002 and FY 2003 data show a leveling off of completion rates, remaining relatively constant at 54.4 and 54.3 percent, respectively. A little over half of all full-time, degree-seeking students completed a four-year degree within six years (150 percent of the normal time) in 2001. Trend data for this measure indicate small fluctuations but no increase in postsecondary completion from 1997. There were no targets prior to 2003.

The Department received Graduation Rate Survey data for this measure for FY 2001 through FY 2003 as a single data set. The Department elected to



**5.7 TRIO Student Support Services.** The percentage of TRIO Student Support Services participants persisting at the same institution.

Fiscal Year	Actual
1999	67
2000	67
2001	70
2002	<b>72</b>
2003	Target is 68.
2004	Target is 68.5.
2005	Target is 69.

Data for 2003, 2004, and 2005 are pending.

U.S. Department of Education, Office of Postsecondary Education, TRIO Annual Performance Report, grantee submissions.

**Analysis of Progress.** There are no new data for this measure. Trend data indicate that persistence rates for TRIO Student Support Services participants have increased from FY 1999 through FY 2002.

**Data Quality.** The persistence rate reflects the percentage of college freshmen that return as sophomores to the same institution. These data are self-reported by grantees. Program staff employ data quality checks to assess the completeness and reasonableness of the data submitted.

**Target Context.** Targets for FY 2003 through FY 2005 were set before data for FY 2001 or FY 2002 were available.

**Related Information.** See <http://www.ed.gov/programs/triostudsupp/index.html> for information about the Student Support Services program. See <http://www.ed.gov/about/offices/list/ope/trio/index.html> for information about the federal TRIO programs.

**Additional Information.** Data for FY 2003 and FY 2004 will be available in December 2005. Data for FY 2005 will be available in December 2006.

The Student Support Services program provides opportunities for academic development, assists students with basic college requirements, and serves to motivate students toward the successful completion of their postsecondary education. The program also provides grant aid to current participants who are receiving Federal Pell Grants.



**5.8 TRIO Student Support Services.** The percentage of TRIO Student Support Services participants completing a degree at the same institution.

Fiscal Year	Actual
1999	<b>29</b>
2004	Target is 30.
2005	Target is 30.5.

Data for 2004 and 2005 are pending.

National Evaluation of the Student Support Services program.

**Analysis of Progress.** In FY 1999, data from the national evaluation of Student Support Services showed that 29 percent of participants completed a degree at the same institution in which they originally enrolled. Data for these measures were not collected for FY 2001 through FY 2003.

FY 2004 is the first year for which grantees will be required to report on the measure. New annual performance reports were created to capture the data for this measure.

**Data Quality.** These data are self-reported by grantees. Program staff employ data quality checks to assess the completeness and reasonableness of the data submitted.

**Target Context.** FY 2004 and FY 2005 targets were set based on FY 1999 actual data.

**Related Information.** See <http://www.ed.gov/programs/triostudsupp/index.html> for information about the Student Support Services program. See <http://www.ed.gov/about/offices/list/ope/trio/index.html> for information about the federal TRIO programs.

**Additional Information.** Data for FY 2004 will be available in December 2005. Data for FY 2005 will be available in December 2006.

<b>5.9 TRIO McNair Postbaccalaureate Achievement.</b> The percentage of McNair participants enrolling in graduate school.	
<b>Fiscal Year</b>	<b>Actual</b>
1999	35
2000	35
2001	40
2002	39
2003	<b>36</b>
2004	Target is 36.
2005	Target is 36.
We met our 2003 target of 36. Data for 2004 and 2005 are pending.	

U.S. Department of Education, Office of Postsecondary Education, TRIO Annual Performance Report, grantee submissions.

**Analysis of Progress.** In FY 2003, McNair postbaccalaureate enrollment reached our target of 36 percent. Graduate school enrollment is, in part, influenced by economic conditions, and so the slight fluctuations in trend data may be affected by changing economic conditions.

**Data Quality.** Enrollment refers to immediate enrollment in graduate school of bachelor's degree recipients. These data are self-reported by grantees. Program staff employ data quality checks to assess the completeness and reasonableness of the data submitted.

**Target Context.** The targets for FY 2004 and FY 2005 were established based upon FY 1999 actual performance before actual values for FY 2001 through FY 2003 were available.

**Related Information.** See <http://www.ed.gov/programs/triomcnair/index.html> for information on the Ronald E. McNair Postbaccalaureate Achievement program. See <http://www.ed.gov/about/offices/list/ope/trio/index.html> for information about the federal TRIO programs.

**Additional Information.** Data for FY 2004 will be available in December 2005. Data for FY 2005 will be available in December 2006.

The McNair Postbaccalaureate Achievement program awards grants to institutions of higher education for projects designed to prepare participants for doctoral studies through involvement in research and other scholarly activities. McNair participants are from disadvantaged backgrounds and have demonstrated strong academic potential.

<b>5.10 TRIO McNair Postbaccalaureate Achievement.</b> The percentage of McNair participants persisting in graduate school.	
<b>Fiscal Year</b>	<b>Actual</b>
2003	<b>78</b>
2004	Target is 75.
2005	Target is 70.
We exceeded our 2003 target of 75. Data for 2004 and 2005 are pending.	

U.S. Department of Education, Office of Postsecondary Education, TRIO Annual Performance Report, grantee submissions.

**Analysis of Progress.** In FY 2003, McNair postbaccalaureate persistence exceeded the target, with over three-quarters of McNair participants persisting in graduate school. However, trend data are not available because the calculation of the measure of persistence was changed in FY 2003.

**Data Quality.** These data are self-reported by grantees. Program staff

employ data quality checks to assess the completeness and reasonableness of the data submitted. The 78 percent persistence rate for McNair in FY 2003 is not comparable to that of previous years. Beginning with 2003, the rate was changed to a one-year rate to bring the persistence calculation for McNair more in line with the persistence calculations of other Department programs. The rate for 2003 is a one-year rate that assesses the percentage of McNair recipients who were enrolled at the end of their first year in graduate school in 2001–02, and who were still enrolled at the end of 2002–03.

The previous years' persistence rates measured persistence over the entire graduate school period. Persistence rates fluctuated in past years, from 48 percent in FY 1999 to 65 percent in FY 2002.

**Target Context.** Targets for FY 2004 and FY 2005 were set before data for FY 2003 were available. Targets for FY 2006 and beyond are more ambitious.

**Related Information.** See <http://www.ed.gov/programs/triomcnair/index.html> for information on the Ronald E. McNair Postbaccalaureate Achievement program. See <http://www.ed.gov/about/offices/list/ope/trio/index.html> for information about the federal TRIO programs.

**Additional Information.** Data for FY 2004 will be available in December 2005. Data for FY 2005 will be available in December 2006.

### Student Financial Assistance Award Accuracy

One of the key determinants for ensuring access, persistence, and completion in postsecondary institutions has been the availability of extensive [financial aid](#) to low- and middle-income students. The Department administers more than \$400 billion in direct loans, guaranteed loans, and grants to postsecondary students and their families. Over the past decade, the Department's Office of Federal Student Aid has endeavored to fully modernize the delivery of student aid and increase accountability for taxpayer dollars.

The size and complexity of the Department's student aid programs make them a key focus of the *President's Management Agenda*, and these efforts are bearing fruit. [Recent achievements](#) include the removal of the Department's student financial assistance programs from the Government Accountability Office's High Risk List in January 2005.

"The Department's diligence in addressing these real financial integrity and management issues has resulted in sustained, meaningful improvements in our student aid programs—improvements which have a direct and positive impact on the students and taxpayers we serve," said Secretary Margaret Spellings. (See link for full press release: <http://www.ed.gov/news/pressreleases/2005/01/01252005a.html>.) The declining Pell Grant overpayment rate, used to measure the integrity of Department's student financial assistance award process, represents another improvement in the Department's management of financial performance.

<b>5.11 Student Aid Administration.</b> The percentage of Pell Grant overpayments.	
<b>Fiscal Year</b>	<b>Actual</b>
2001	3.4
2002	3.3
2003	3.1
2004	<b>2.8</b>
2005	Target is 3.1.
Data for 2005 are pending.	

Analysis of sampled Internal Revenue Service income data compared to data reported on the Department of Education's Free Application for Federal Student Aid reported by the Office of Federal Student Aid and the Common Origination and Disbursement system.

**Analysis of Progress.** Trend data indicate that the percentage of Pell Grant overpayments has decreased from FY 2001 to FY 2004. This decrease in Pell Grant overpayments can be attributed in part to the increased use of electronic applications for student financial aid, with built-in online edits that decrease the opportunity for erroneous data. The financial aid community benefits from the Department's extensive technical

assistance and targeted training. There are no new data for this measure.

**Data Quality.** The overpayment measure is calculated by dividing the estimated dollar amount of overpayments by the total dollar value of Pell Grants awarded.

**Target Context.** The target for FY 2005 was set before data for FY 2004 were available.

**Related Information.** See <http://www.whitehouse.gov/omb/memoranda/m03-13-attach.pdf> for information on the *Improper Payments Information Act of 2002*.

**Additional Information.** Data for FY 2005 will be available in July 2006. The capability to match tax return data to student applications for financial assistance would assist the Department in further reducing the percentage of Pell Grant overpayments by enabling us to verify self-reported data that we now use. However, current statutory authority does not allow matching of personal income information with Department data due to privacy restrictions associated with tax information. The Department is working with the Office of Management and Budget to develop alternatives to the matching of tax return data that effectively reduce the Pell Grant program's improper payment rate. Of particular note, the Department will be improving electronic monitoring of Free Applications for Federal Student Aid using a risk-based approach to catch more potential errors in the pre-award rather than the post-award stage. This enhanced monitoring is expected to take effect in 2007.

### **Strengthening Institutions That Serve Underrepresented Populations**

The Department's institutional aid programs strengthen and improve the quality of programs in hundreds of postsecondary education institutions that serve low-income and

minority students, including Historically Black Colleges and Universities, Historically Black Graduate Institutions, Tribal Colleges and Universities, Alaska Native and Native Hawaiian-Serving Institutions, and Hispanic-Serving Institutions. By expanding and enhancing academic quality, institutional management, and financial stability at these institutions, the Department reduces gaps in college access and completion among differing student populations, improves academic attainment, and strengthens accountability.

This year, the Historically Black Colleges and Universities (HBCUs) celebrated the 25th anniversary of the signing of the first Presidential Executive Order on HBCUs. HBCUs make a strong and unique contribution to the United States by providing an education to many socioeconomically disadvantaged young people in the nation's African-American and other minority populations. In FY 2005, these institutions benefited from a \$1 million grant from the Fund for the Improvement of Postsecondary Education to a consortium of organizations headed by the United Negro College Fund to assist HBCUs with management improvement and leadership development activities.

<b>5.12 Aid for Institutional Development, Titles III and V.</b> The percentage of Title III and Title V project goals relating to the improvement of institutional management and fiscal stability that have been met or exceeded.	
<b>Fiscal Year</b>	<b>Actual</b>
2002	78
2003	72
2004	<b>69</b>
2005	Target is 81.
We did not meet our 2003 and 2004 targets of 75. Data for 2005 are pending.	

<b>5.13 Aid for Institutional Development, Titles III and V.</b> The percentage of Title III and Title V project goals relating to the improvement of student services and student outcomes that have been met or exceeded.	
<b>Fiscal Year</b>	<b>Actual</b>
2002	86
2003	81
2004	<b>77</b>
2005	Target is 91.
We exceeded our 2003 and 2004 targets of 75. Data for 2005 are pending.	

<b>5.14 Aid for Institutional Development, Titles III and V.</b> The percentage of Title III and Title V project goals relating to the improvement of academic quality that have been met or exceeded.	
<b>Fiscal Year</b>	<b>Actual</b>
2002	88
2003	80
2004	<b>76</b>
2005	Target is 91.
We exceeded our 2003 and 2004 targets of 75. Data for 2005 are pending.	

U.S. Department of Education, *Higher Education Act*, Titles III and V Annual Performance Report, grantee submissions.

Note. Titles III and V of the *Higher Education Act* include the following programs: Strengthening Institutions, American Indian Tribally Controlled Colleges and Universities, Alaska Native and Native Hawaiian-Serving Institutions, Strengthening Historically Black Colleges and Universities, Strengthening Historically Black Graduate Institutions, Minority Science and Engineering Improvement, and Developing Hispanic-Serving Institutions.

**Analysis of Progress.** In FY 2003 and FY 2004, we exceeded our targets for meeting grantee project goals relating to the improvement of student services, student outcomes, and academic quality. During the same time frame, we did not meet grantee targets for meeting project goals relating to the improvement of institutional management and fiscal stability. Goals relating to fiscal stability are among the most important and most difficult to achieve for all institutions. From FY 2002 to FY 2004, overall trends indicate a decrease in the percentage of project goals that were met or exceeded in all areas. Such trends may reflect grantee success in early years in making progress on a subset of more easily achieved goals, while more complex and difficult goals occur later in the project life cycle.

**Data Quality.** These data are self-reported by grantees. Program staff employ data quality checks to assess the completeness and reasonableness of the data submitted. Project reports do not distinguish between the scope and/or effect of the project goals: small and large goals are both counted in the same manner, and institutions' goals change from year to year.

**Target Context.** The targets for FY 2005 were established before performance data for the prior years were available.

**Related Information.** See <http://www.ed.gov/about/offices/list/ope/itudes/index.html> for information on the Title III and Title V programs.

**Additional Information.** FY 2005 data will be available in August 2006. The Department plans to replace these measures for FY 2006 with measures of enrollment, persistence, and completion, which have been developed to provide better accountability for each of the Aid for Institutional Development programs.

### **Vocational Rehabilitation**

The Department's vocational rehabilitation programs help individuals with physical or mental disabilities obtain employment and live more independently by providing grants that support job training and placement, medical and psychological services, and other individualized services. Annually, the Vocational Rehabilitation State Grants program helps over 200,000 individuals with disabilities obtain employment. Over the past year, the Department has made significant progress in improving the timeliness of vocational rehabilitation data and in promoting data use for program improvement.

- The FY 2004 Case Service Report database was completed within five months of the close of the fiscal year, a 10-month improvement compared to data for FY 2002 and prior years. The Department achieved this result by improving the data editing process, including use of an expanded user-friendly state vocational rehabilitation agency computerized edit program, and by dedicating additional staff to analyzing and validating the data early in the fiscal year.
- Reviews of state performance data have also been achieved more promptly in FY 2005 to correct problems faster and to improve customer service. More rapid availability of this data enhances program management and monitoring, particularly for state agencies that are failing or are in jeopardy of failing the program's required standards and performance indicators.

The Department measures state vocational rehabilitation agencies' progress by monitoring the percentage of individuals receiving services that achieve employment. In FY 2004, about two-thirds of vocational rehabilitation agencies achieved the outcome criteria set by regulatory indicators.



**5.15 Vocational Rehabilitation State Grants.** The percentage of general and combined state vocational rehabilitation agencies that assist at least 55.8 percent of individuals receiving services to achieve employment.

Fiscal Year	Actual
2001	75
2002	75
2003	66
2004	<b>66</b>
2005	Target is 75.
We did not meet our 2004 target of 83. Data for 2005 are pending.	

U.S. Department of Education, Office of Special Education and Rehabilitation Services, Rehabilitation Services Administration (RSA), state agency data from performance report RSA-911.

**Analysis of Progress.** In FY 2001 and FY 2002, 75 percent of agencies achieved at least the 55.8 percent employment rate set by regulatory indicators. The FY 2003 and FY 2004 apparent declines can be attributed to three facts: (1) beginning in FY 2002, extended employment has not been considered an employment outcome in the Vocational Rehabilitation State Grants program; (2) there were challenging labor market conditions; and (3) the program is serving an increasing percentage of individuals with significant disabilities.

The Department has set out to improve results on this measure by retooling the monitoring process, with an increased emphasis on state vocational rehabilitation agency performance leading to high-quality employment outcomes.

**Data Quality.** This indicator is derived from state vocational rehabilitation agency performance expectations defined in the *Rehabilitation Act*. For each vocational rehabilitation agency, the Rehabilitation Services Administration examines the percentage of individuals who achieve employment compared to all individuals whose cases were closed after receiving services. To pass this indicator, a general/combined agency must achieve a rate of 55.8 percent, while an agency for the blind must achieve a rate of 68.9 percent.

The accuracy and consistency of state rehabilitation staff report data cannot be guaranteed as counselors' interpretations of the data reported may vary. Timeliness is dependent upon submittal of clean data from 80 grantees, and Rehabilitation Services Administration staff have worked with grantees to improve the accuracy and timeliness of performance report data. The FY 2004 database was available five months after the close of the fiscal year, a significant improvement over previous years.

**Related Information.** See <http://www.ed.gov/programs/rsabvrs/index.html> for information on basic vocational rehabilitation services. See <http://www.jan.wvu.edu/SBSES/VOCREHAB.HTM> for a listing of state vocational rehabilitation offices. See <http://www.ed.gov/rschstat/eval/rehab/standards.html> for a complete listing of evaluation standards and performance indicators for the Vocational Rehabilitation State Grants program.

**Additional Information.** Data for FY 2005 will be available in April 2006.

## Adult Learning

In an age of rapid economic and technological change, lifelong learning can provide benefits for individuals and for society as a whole. New data on adult learners this year show steady increases in the following measures:

- The percentage of adults with a high school completion goal who earn a high school diploma or recognized equivalent.
- The percentage of adults enrolled in English literacy programs who acquire the level of English language skills needed to complete the levels of instruction in which they are enrolled.

<b>5.16 Adult Education State Grants.</b> The percentage of adults with a high school completion goal who earn a high school diploma or recognized equivalent.	
<b>Fiscal Year</b>	<b>Actual</b>
1996	36
1997	37
1998	33
1999	34
2000	34
2001	33
2002	42
2003	44
2004	<b>45</b>
2005	Target is 46.
We exceeded our 2004 target of 42. Data for 2005 are pending.	

U.S. Department of Education, Office of Vocational and Adult Education, National Reporting System for Adult Education.

**Analysis of Progress.** An increasing percentage of adults with a high school completion goal earned a high school diploma or its recognized equivalent between FY 2001 and FY 2004. The Department attributes this increase in the percentage of adults who earned a high school diploma or its recognized equivalent to technical assistance that focused on grantees setting higher targets for this performance measure. As a result, many states created initiatives to encourage adults to earn their GEDs (General Educational Development, a high school equivalency diploma). For example, some states offered GED recipients a

scholarship for the first semester of postsecondary education. In addition, the Department sponsored “train the trainer” professional development activities that equipped teachers to prepare students for the newest GED test, provided technical assistance to states on options for providing distance learning, and encouraged states to offer GED courses online.

**Data Quality.** As a third-tier recipient of these data, the Department must rely on the states and local programs to collect and report data within published guidelines. The Department has improved the data quality by using standardized data collection methodologies and standards for automated data reporting and data quality review. The Department also provides technical assistance to states to improve the data quality; as a result, in 2003, 38 states provided high-quality assessment data. In 2004, this figure increased to 44 states.

**Target Context.** Increasing targets reflect the aim of the Adult Education State Grants program to increase the percentage of adults with a high school completion goal who earn a high school diploma or recognized equivalent.

**Related Information.** Information about adult education and literacy can be obtained at <http://www.ed.gov/about/offices/list/ovae/pi/AdultEd/index.html> and <http://www.ed.gov/about/offices/list/ovae/resource/index.html>.

**Additional Information.** Data for FY 2005 will be available in March 2006.

**5.17 Adult Education State Grants.** The percentage of adults enrolled in English literacy programs who acquire the level of English language skills needed to complete the levels of instruction in which they enrolled.

Fiscal Year	Actual
1996	30
1997	28
1998	28
1999	49
2000	20
2001	31
2002	34
2003	36
2004	<b>36</b>
2005	Target is 45.

We did not meet our 2004 target of 45.  
Data for 2005 are pending.

U.S. Department of Education, Office of Vocational and Adult Education, National Reporting System for Adult Education.

**Analysis of Progress.** An increasing percentage of adults enrolled in English literacy programs acquired the level of English language they needed to advance between FY 2001 and FY 2004. While there is a trend of improvement, we did not meet our target for FY 2004.

To improve grantee performance on this measure, the Department has funded a three-year project called the center for Adult English Language Acquisition, which has completed its first year. The center provides direct technical assistance to states through a series of training sessions for trainers in English as a second language from 23 states. The center also publishes

resources and maintains a Web collection of material relating to technical assistance on English language acquisition.

**Data Quality.** See measure 5.16.

**Target Context.** Out-year targets have been adjusted because trend data suggest that they were inappropriately projected.

**Related Information.** Information about adult education and literacy can be obtained at: <http://www.ed.gov/about/offices/list/ovae/pi/AdultEd/index.html> and <http://www.ed.gov/about/offices/list/ovae/resource/index.html>.

**Additional Information.** Data for FY 2005 will be available in March 2006.

### Expanding Global Perspectives

The Department's international education and graduate fellowship programs have helped thousands of students, particularly at the graduate level, prepare for careers in areas of national need, including foreign languages and area studies. A long-lasting, productive partnership between the federal government and the nation's universities has created an unparalleled capacity to teach both foreign languages and area studies about societies around the world—covering all continents and more than 100 of the less-commonly taught languages. Departmental support for foreign languages and area and international studies at American colleges and universities ensures a steady supply of graduates with expertise in less-commonly taught languages, geographic areas, and international issues.

In October 2004, [Outreach World](#), a growing online community of educators dedicated to showcasing the achievements of its members and strengthening vital links across the

education spectrum and between the United States and the world, launched its Web site. At the core of Outreach World are 120 federally funded National Resource Centers based at 56 universities and focusing on areas involving Africa, Asia, Canada, Europe, Latin America, and the Middle East; Outreach World also comprises 42 Language Resource Centers and Centers for International Business and Education Research based at 45 universities and dedicated to promoting foreign language study and international business.

The Department measures progress in International Education and Foreign Language Studies domestic programs by the expansion of critical languages taught at National Resource Centers, employment of centers Ph.D. graduates in targeted areas, and improved language competency. FY 2005 was the first year for which targets were set for these measures.

<b>5.18 International Education and Foreign Language Studies Domestic Programs.</b> The percentage of critical languages taught, as reflected by the list of critical languages referenced in the <i>Higher Education Act</i> Title VI program statute.	
<b>Fiscal Year</b>	<b>Actual</b>
2003	<b>56</b>
2004	<b>56</b>
2005	Target is 74.
Data for 2005 are pending.	

<b>5.19 International Education and Foreign Language Studies Domestic Programs.</b> The percentage of National Resource Centers Ph.D. graduates who find employment in higher education, government service, and national security.	
<b>Fiscal Year</b>	<b>Actual</b>
2001	48.5
2002	53.7
2003	55
2004	<b>72</b>
2005	Target is 47.5.
Data for 2005 are pending.	

<b>5.20 International Education and Foreign Language Studies Domestic Programs.</b> The average competency score of Foreign Language and Area Studies Fellowship recipients at the end of one full year of instruction (post-test) minus the average competency score at the beginning of the year (pre-test).	
<b>Fiscal Year</b>	<b>Actual</b>
2003	1.3
2004	<b>1.2</b>
2005	<b>1.2</b>
We met our 2005 target of 1.2.	

U.S. Department of Education, Office of Postsecondary Education, International Education and Foreign Language Studies Domestic Programs Annual Performance Report.

Note. These measures report on the National Resource Centers under the International Education and Foreign Language Studies Domestic Programs, authorized by Title VI of the *Higher Education Act*.

**Analysis of Progress.** These measures were all new for FY 2005; consequently, no performance targets were set for prior years.

The 56 percent of critical languages taught in FY 2003 and FY 2004 represents 95 languages from a list of 171 less-commonly taught languages. This is a clear increase from 1959, when the initial federally funded foreign language fellowships were awarded to study six languages deemed critical (Arabic, Chinese, Japanese, Hindi-Urdu, Portuguese, and Russian).

Data for FY 2001 through FY 2004 reflect the percentages of National Resource Centers Ph.D. graduates who find employment in higher education, government service, and national security. As an employment indicator, the fluctuation in trend data for this measure may reflect changing economic conditions. Overall, however, the percentage of National Resource Centers graduates who find employment in the areas targeted by the

program is increasing. In FY 2004, almost three-quarters of National Resource Centers' employed Ph.D. graduates find employment in targeted fields.

A target value of 1.20 for change over the year reflects an ambitious overall goal for the program, one that was met in FY 2005. Overall change in the language competency self-assessment reflects a mix of different levels of improvement at all stages (beginner, intermediate, advanced) of the three forms of language acquisition the assessment measures (reading, writing, speaking). Beginning language students may be expected to make larger advances over a given time period (and therefore have larger change scores) than more advanced students.

**Data Quality.** Data are self-reported by institutions for measure 5.18 and by participating fellows for measures 5.19 and 5.20. Program staff employ data quality checks to assess the completeness and reasonableness of the data submitted.

The FY 2003 actual values for these measures and the FY 2004 actual value for measure 5.18 have been revised to correct previous errors in the measure calculations.

The definition of measure 5.19 is the ratio of program graduates employed in the target areas to the number of program graduates employed in any area.

**Target Context.** The Department set targets for FY 2005 on the basis of historical trends and program experience, before data for FY 2004 were available.

**Related Information.** See <http://www.ed.gov/about/offices/list/ope/iegps/index.html> for information on these international programs.

**Additional Information.** Data for measures 5.18 and 5.20 for FY 2005 will be available in December 2006. Data for measure 5.19 for FY 2005 will be available in October 2006.

### **Discontinued Strategic Measures**

The following measures were discontinued after FY 2004 but were reported as pending in our *FY 2004 Performance and Accountability Report*. We report here our results on those for which we now have data. (See p. 23 for a discussion of why we discontinued measures.)

*U.S. Department of Education FY 2005 Performance and Accountability Report*

Measure		Fiscal Year	Target	Actual	Status	
5.1.2– 5.1.7	The percentage of 16- to 24-year-old high school graduates enrolled in college the October following graduation	White	2002	66.9	68.9	Target met
			2003	67.0	66.2	Target not met
			2004	69.4	Pending	Data expected 08/2006
		Black	2002	59.6	59.4	Target not met
			2003	60.3	57.5	Target not met
			2004	60.8	Pending	Data expected 08/2006
		White-Black Gap	2002	7.3	9.5	Target not met
			2003	6.7	8.7	Target not met
			2004	8.6	Pending	Data expected 08/2006
		Hispanic	2002	50.0	53.3	Target met
			2003	51.5	58.6	Target met
			2004	57.5	Pending	Data expected 08/2006
		White-Hispanic Gap	2002	16.9	15.6	Target met
			2003	15.5	7.6	Target met
			2004	11.9	Pending	Data expected 08/2006
		Low Income	2002	51.5	56.4	Target met
			2003	53.5	52.8	Target not met
			2004	51.0	Pending	Data expected 08/2006
5.1.8 – 5.1.9	The percentage of 16- to 24-year-old high school graduates enrolled in college the October following graduation (continued)	High Income	2002	76.9	78.2	Target met
			2003	77.0	80.1	Target met
			2004	80.0	Pending	Data expected 08/2006
		Income Gap	2002	25.4	21.8	Target met
			2003	23.5	27.3	Target not met
			2004	29.0	Pending	Data expected 08/2006
5.1.11– 5.1.15	The national percentage of full-time, bachelor's degree-seeking students who graduate from four-year institutions within six years	White	2004	56.8	Pending	Data expected 12/2005
		Black	2004	37.4	Pending	
		White-Black Gap	2004	19.4	Pending	
		Hispanic	2004	43.2	Pending	
		White-Hispanic Gap	2004	13.6	Pending	
5.1.16– 5.1.21	The percentage of full-time, degree- or certificate-seeking students at two-year institutions who graduate, earn a certificate, or transfer from two-year institutions within three years	Overall	2004	34.0	Pending	Data expected 12/2005
		White	2004	34.5	Pending	
		Black	2004	27.3	Pending	
		White-Black Gap	2004	7.2	Pending	
		Hispanic	2004	31.1	Pending	
		White-Hispanic Gap	2004	3.4	Pending	

*U.S. Department of Education FY 2005 Performance and Accountability Report*

Measure		Fiscal Year	Target	Actual	Status
5.2.1	The percentage of states and territories submitting <i>Higher Education Act</i> , Title II, reports with all data reported using federally required definitions	2004	91	100	Target met
5.3.1	The average national increases in college tuition, adjusted for inflation	2004	5.0%	6.9%	Target not met
5.4.1	The percentage of Historically Black Colleges and Universities, Hispanic-Serving Institutions, and Tribal Colleges and Universities with a positive fiscal balance	2004	70	78	Target met
5.4.2	The percentage of Historically Black Colleges and Universities, Hispanic-Serving Institutions, and Tribal Colleges and Universities with evidence of increased technological capacity	2004	50	32	Target not met
5.5.1	The percentage of employed persons served by state vocational rehabilitation agencies who obtain competitive employment	2004	86.8	94.6	Target met
5.6.1	The percentage of international postsecondary consortia projects that are institutionalized after the conclusion of the grant period	2004	44	80	Target met
5.6.3	The percentage of Title VI graduates who find employment in higher education, government service, and national security	2004	Set baseline	72	Target met
5.6.4	The number of comprehensive instructional resources (assessments, publications, curricular materials, etc.) produced at Title VI institutions of higher education	2004	Set baseline	1,367	Target met
5.6.5	The number of K–12 teachers trained through the Title VI and Fulbright–Hays programs	2004	Set baseline	528,543	Target met

**Sources and Notes**

- 5.1.2–5.1.9 U.S. Department of Education, National Center for Education Statistics (2003). *The Condition of Education 2003* (NCES 2003–067), table 18-1 and previously unpublished tabulations for 2002–03 (January 2005). U.S. Department of Commerce, Bureau of the Census, Current Population Survey, October Supplement, 1972–2003.
- 5.1.11–5.1.21 U.S. Department of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System, Spring 2004.
- 5.2.1 U.S. Department of Education, Office of Postsecondary Education, Title II Data System.
- 5.3.1 U.S. Department of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System, Fall Enrollment Survey and Institutional Characteristics Survey.
- 5.4.1 U.S. Department of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System.
- 5.4.2 U.S. Department of Education, Institutional Development and Undergraduate Education Service, Annual Performance Report.

- 5.5.1 U.S. Department of Education, Office of Special Education and Rehabilitative Services, Rehabilitation Services Administration 911 Case Service Report.
- 5.6.1 U.S. Department of Education, Office of Postsecondary Education, Fund for the Improvement of Postsecondary Education, internal data.
- 5.6.3–5.6.5 U.S. Department of Education, International Education Programs Service, Evaluation of Exchange, Language, and International Area Studies, performance report program data.  
  
For 5.6.3, previously reported data for FY 2003 were incorrect; the correct actual value for FY 2003 is 55 percent.

## Goal 5: Enhance the Quality of and Access to Postsecondary and Adult Education Program Performance Summary

Sixty-one of our grant programs most directly support Goal 5. These programs are listed below. In the table we provide an overview of the results of each program on its program performance measures. (See p. 59 for our methodology of calculating the percentage of targets met, not met, and without data.) Individual program performance reports are available at <http://www.ed.gov/about/reports/annual/2005report/program.html>. We also provide both FY 2005 appropriations and FY 2005 expenditures for each of these programs. (See pp. 24–25 for an explanation of why appropriations and expenditures for a given year are not the same and the effect of that difference on the connection between funding and performance.)

Program Name	Appropriations†	Expenditures‡	Program Performance Results Percent of Targets Met, Not Met, Without Data											
			FY 2005			FY 2004			FY 2003			FY 2002		
			FY 2005 \$ in millions	FY 2005 \$ in millions	% Met	% Not Met	% No Data	% Met	% Not Met	% No Data	% Met	% Not Met	% No Data	% Met
AEFLA: <a href="#">Adult Education National Leadership Activities</a>	9	7	0	0	100	0	50	50	50	50	0			
AEFLA: <a href="#">Adult Education State Grants</a>	570	614	0	0	100	40	60	0	60	40	0	60	40	0
AEFLA: <a href="#">National Institute for Literacy</a>	7	5	67	33	0	100	0	0						
ATA: <a href="#">Assistive Technology Alternative Financing</a>	4	6	0	0	100	0	100	0	/// (not funded)			/// (not funded)		
ATA: <a href="#">Assistive Technology Programs</a>	26	29	0	0	100	0	100	0	0	100	0	0	100	0
EDA: <a href="#">Gallaudet University</a>	105	105	43	57	0	43	57	0	42	58	0	42	58	0
EDA: <a href="#">National Technical Institute for the Deaf</a>	55	54	40	50	10	30	70	0	60	40	0	60	40	0
ESEA: <a href="#">Community Technology Centers</a>	5	30	0	0	100	100	0	0	0	0	100			
HEA: <a href="#">AID Developing Hispanic-Serving Institutions</a>	95	88												
HEA: <a href="#">AID Minority Science and Engineering Improvement</a>	9	8												
HEA: <a href="#">AID Strengthening Alaska Native and Native Hawaiian Serving Institutions</a>	12	9												
HEA: <a href="#">AID Strengthening Historically Black Colleges and Universities</a>	239	208	0	0	100	67	33	0	67	33	0	100	0	0
HEA: <a href="#">AID Strengthening Historically Black Graduate Institutions</a>	58	51												
HEA: <a href="#">AID Strengthening Institutions</a>	80	82												
HEA: <a href="#">AID Strengthening Tribally Controlled Colleges and Universities</a>	24	16												

Program Name	Appropriations†	Expenditures‡	Program Performance Results Percent of Targets Met, Not Met, Without Data											
			FY 2005			FY 2004			FY 2003			FY 2002		
			FY 2005 \$ in millions	FY 2005 \$ in millions	% Met	% Not Met	% No Data	% Met	% Not Met	% No Data	% Met	% Not Met	% No Data	% Met
HEA: B.J. Stupak Olympic Scholarships	1	2												
HEA: <a href="#">Byrd Honors Scholarships</a>	41	45	0	0	100	100	0	0	100	0	0	100	0	0
HEA: <a href="#">Child Care Access Means Parents In School</a>	16	16	0	0	100	0	25	75	0	100	0			
HEA: <a href="#">College Assistance Migrant Program</a>	16	16	0	0	100	0	0	100						
HEA: <a href="#">Demonstration Projects to Ensure Quality Higher Education for Students with Disabilities</a>	7	7	0	0	100									
HEA: <a href="#">Fund for the Improvement of Postsecondary Education</a>	162	173	0	0	100	0	100	0	50	50	0	100	0	0
HEA: <a href="#">Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP)</a>	306	306	0	0	100	71	29	0	86	14	0			
HEA: <a href="#">Graduate Assistance in Areas of National Need (GAANN)</a>	30	29	0	0	100	83	0	17	100	0	0	67	33	0
HEA: Interest Subsidy Grants	1	1												
HEA: <a href="#">International Education and Foreign Language Studies Domestic Programs</a>	92	86				0	0	100	60	40	0	60	40	0
HEA: <a href="#">International Education and Foreign Language Studies Institute for International Public Policy</a>	2	1	14	0	86	100	0	0	100	0	0	100	0	0
MECEA: <a href="#">International Education and Foreign Language Studies Overseas Programs</a>	13	13												
HEA: <a href="#">Javits Fellowships</a>	10	9	0	0	100	100	0	0	100	0	0			
HEA: <a href="#">SFA Federal Direct Student Loans</a>	1,543	4,853												
HEA: <a href="#">SFA Federal Family Education Loan Program &amp; Liquidating</a>	11,532	10,369												
HEA: <a href="#">SFA Federal Pell Grants</a>	12,365	12,519												
HEA: <a href="#">SFA Federal Perkins Loans</a>	66	137	0	0	100	20	13	67	33	13	53	100	0	0
HEA: <a href="#">SFA Federal Supplemental Educational Opportunity Grants</a>	779	760												
HEA: <a href="#">SFA Federal Work-Study</a>	990	971												
HEA: <a href="#">SFA Leveraging Educational Assistance Partnerships</a>	66	60												
HEA: Student Aid Administration	719	823	0	0	100	17	0	83	17	0	83	100	0	0
HEA: Thurgood Marshall Legal Education Opportunity	3	3				/// (not funded)								
HEA: <a href="#">TRIO Educational Opportunity Centers</a>	49	38	0	0	100	0	0	100						
HEA: <a href="#">TRIO McNair Postbaccalaureate Achievement</a>	42	32	0	0	100	0	0	100	100	0	0	100	0	0
HEA: <a href="#">TRIO Student Support Services</a>	275	208	0	0	100	0	0	100	0	0	100	50	0	50
HEA: <a href="#">TRIO Talent Search</a>	145	113	0	0	100	0	0	100						

Program Name	Appropriations†	Expenditures‡	Program Performance Results Percent of Targets Met, Not Met, Without Data													
			FY 2005 \$ in millions	FY 2005 \$ in millions	FY 2005			FY 2004			FY 2003			FY 2002		
					% Met	% Not Met	% No Data	% Met	% Not Met	% No Data	% Met	% Not Met	% No Data	% Met	% Not Met	% No Data
HEA: <a href="#">TRIO Upward Bound</a>	313	179	0	0	100	0	0	100	0	0	100	0	0	100		
HEA: <a href="#">Underground Railroad Program</a>	2	2	0	0	100	100	0	0								
HKNCA: <a href="#">Helen Keller National Center for Deaf-Blind Youths and Adults</a>	11	9	71	29	0	71	29	0				71	29	0		
NLA: <a href="#">Literacy Programs for Prisoners</a>	5	5	0	0	100											
RA: <a href="#">Client Assistance State Grants</a>	12	12	0	0	100	50	50	0	100	0	0	100	0	0		
RA: <a href="#">Independent Living Centers</a>	98	76	0	50	50	33	67	0	33	67	0	80	20	0		
RA: <a href="#">Independent Living State Grants</a>	98	23														
RA: <a href="#">Independent Living Services for Older Blind Individuals</a>	33	32	0	0	100	0	100	0	100	0	0	100	0	0		
RA: <a href="#">Migrant and Seasonal Farmworkers</a>	2	2	0	0	100	50	50	0								
RA: <a href="#">Projects with Industry</a>	22	20	0	0	100	67	33	0	33	67	0	100	0	0		
RA: <a href="#">Protection and Advocacy of Individual Rights</a>	17	17	0	0	100	100	0	0								
RA: <a href="#">Supported Employment State Grants</a>	37	42	0	0	100	100	0	0	100	0	0	100	0	0		
RA: <a href="#">Vocational Rehabilitation Demonstration and Training Programs</a>	26	22	0	0	100	20	80	0	60	40	0	60	40	0		
RA: Vocational Rehabilitation Grants for Indians	32	29	0	0	100	33	67	0	100	0	0	100	0	0		
RA: <a href="#">Vocational Rehabilitation Program Improvement</a>	1	1														
RA: <a href="#">Vocational Rehabilitation Recreational Programs</a>	3	3	0	0	100	100	0	0								
RA: <a href="#">Vocational Rehabilitation State Grants</a>	2,604	2,352	0	0	100	75	25	0	50	50	0	67	33	0		
RA: <a href="#">Vocational Rehabilitation Training</a>	39	40	0	0	100	0	67	33	57	43	0	71	29	0		
USC: Howard University	239	235	0	0	100	60	40	0	42	58	0	58	42	0		
VTEA: <a href="#">Tribally Controlled Postsecondary Vocational and Technical Institutions</a>	7	1	0	100	0	0	100	0	100	0	0	0	100	0		
Administrative and Support Funding for Goal 5#	(59)	5														
<b>TOTAL</b>	<b>34,111</b>	<b>* 36,009</b>														

† Budget for each program represents program budget authority.

‡ Expenditures occur when recipients draw down funds to cover actual outlays. FY 2005 expenditures may include funds from prior years' appropriations.

■ A shaded cell denotes that the program did not have targets for the specified year.

/// Denotes programs not yet implemented. (Programs are often implemented near the end of the year they are first funded.)

# The Department does not plan to develop performance measures for programs, activities, or budgetary line items that are administrative in nature or that serve to support other programs and their performance measures.

\* Expenditures by program do not include outlays in the amount of \$7 million for prior years' obligations for Goal 5 programs that were not funded in FY 2005 or FY 2005 estimated accruals in the amount of \$924 million.

*AEFLA: Adult Education and Family Literacy Act*  
*AID: Aid for Institutional Development*  
*ATA: Assistive Technology Act*  
*EDA: Education of the Deaf Act*  
*ESEA: Elementary and Secondary Education Act*  
*HEA: Higher Education Act*  
*HKNCA: Helen Keller National Center Act*

*MECEA: Mutual Educational and Cultural Exchange Act of 1961*  
*NLA: National Literacy Act*  
*RA: Rehabilitation Act*  
*SFA: Student Financial Assistance programs*  
*USC: United States Code*  
*VTEA: Perkins Vocational and Technical Education Act*

## **Goal 5: Enhance the Quality of and Access to Postsecondary and Adult Education**

### **PART Analysis**

In preparation for the FY 2005 budget, the Department conducted reviews on the programs listed below using the Office of Management and Budget's Program Assessment Rating Tool (PART). (See p. 60 for a discussion of the PART methodology.) Short summaries of the PART results and follow-up actions are on the following pages. OMB's Web site provides [one-page summaries](#) and [full detailed PART reviews](#) for all agencies.

#### **Federal Direct Student Loans**

Rating: Adequate

#### **Federal Family Education Loan Program**

Rating: Adequate

#### **Federal Pell Grants**

Rating: Adequate

#### **Federal Perkins Loans Capital Contributions**

Rating: Ineffective

#### **Federal Supplemental Educational Opportunity Grants**

Rating: Results Not Demonstrated

#### **Federal Work-Study**

Rating: Results Not Demonstrated

#### **Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR-UP)**

Rating: Adequate

#### **Independent Living State Grants and Centers**

Rating: Results Not Demonstrated

#### **TRIO Talent Search**

Rating: Results Not Demonstrated

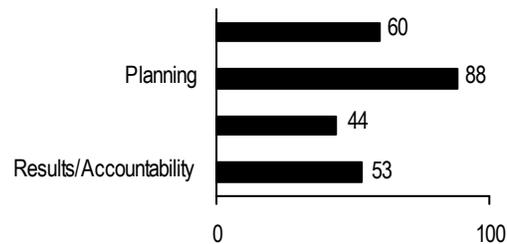
**PART Analysis for Programs Reviewed for the FY 2005 Budget**

**Program: Federal Direct Student Loans**

**Year of Rating:** For FY 2005 Budget (Initial)  
For FY 2006 (Revised)

**Rating:** Adequate

**Program Type:** Credit

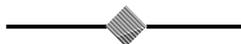


**Recommended Follow-up Action**

- Seek legislation to direct a greater share of borrower benefits to students in school instead of those who have graduated.
- Maintain variable interest rate structure for borrowers who later consolidate their loans, and provide for an increase in loan limits.

**Update on Follow-up Action**

The President’s FY 2006 Budget included a comprehensive set of loan reform proposals that address concerns raised through the PART process. The Administration is working with the Congress on these proposals as part of the *Higher Education Act* reauthorization process.

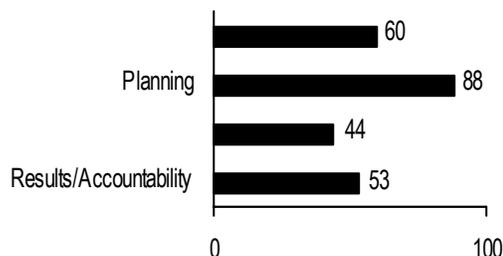


**Program: Federal Family Education Loan Program**

**Year of Rating:** For FY 2005 Budget (Initial)  
For FY 2006 (Revised)

**Rating:** Adequate

**Program Type:** Credit



**Recommended Follow-up Action**

Seek legislation to accomplish the following:

- Reduce unnecessary subsidies to lenders and other Federal Family Education Loan program participants.
- Direct a greater share of borrower benefits to students in school instead of those who have graduated. Notably, the Administration proposes to maintain variable interest rates beyond 2006 for students in school, to adopt the same variable interest rate structure for borrowers who later consolidate their loans, and to provide for an increase in loan limits. Note: Due to the uncertainty that goes into predicting economic trends and student-borrower behavior, these re-estimates often produce significant annual fluctuations in subsidy costs and program funding levels.

**Update on Follow-up Action**

The President’s FY 2006 Budget included a comprehensive set of loan reform proposals that address concerns raised through the PART process. The Administration is working with the Congress on these proposals as part of the *Higher Education Act* reauthorization process.



**Program: Federal Pell Grants**

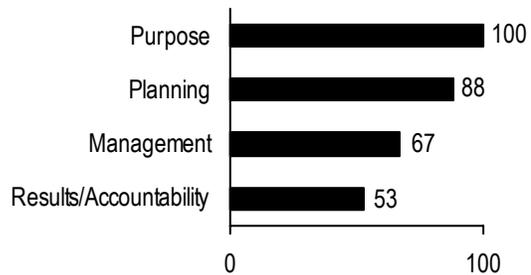
**Year of Rating:** For FY 2004 Budget (Initial)  
For FY 2005 (Revised)

**Rating:** Adequate

**Program Type:** Block/Formula Grant

**Recommended Follow-up Action**

- Develop legislative and administrative strategies to improve performance on the program’s annual and long-term measures. Work with the Congress on enacting the legislative strategies as part of the *Higher Education Act* reauthorization.
- In the *Higher Education Act* reauthorization, work with the Congress on proposals to better target Pell funding to the neediest students.
- Re-propose to amend the Internal Revenue Code to allow the Internal Revenue Service to match student aid data and tax data to prevent over-awards (and under-awards) in Pell and other student aid programs.



**Update on Follow-up Action**

The PART findings for the Pell Grant program primarily required legislative action through the reauthorization of the *Higher Education Act* and amendments to the tax code. The President’s FY 2006 Budget reflects the Administration’s *Higher Education Act* proposal, including changes to target Pell aid to the neediest students. The Administration proposes to increase the \$4,050 Pell maximum award by \$100 in FY 2006 and \$500 over five years. The Administration also proposes to better target Pell funding by indexing future maximum award increases with corresponding minimum award increases. The Administration is working with the Congress on these proposals as part of the *Higher Education Act* reauthorization process.



**Program: Federal Perkins Loan Capital Contributions**

**Year of Rating:** For FY 2005 Budget

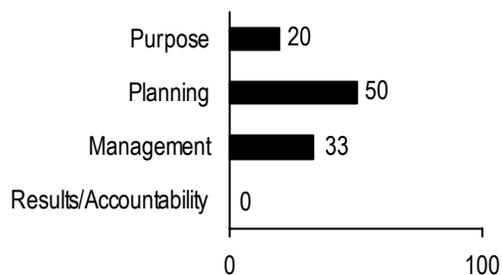
**Rating:** Ineffective

**Program Type:** Credit

**Recommended Follow-up Action**

In response to these findings, the Administration will take the following actions:

- Propose to eliminate the funding for this program and redirect funds to more effective student aid programs, such as the Pell Grants program.
- As long as the program exists, implement a new performance measurement approach that tracks program success on student persistence (i.e., staying in school) and graduation. This includes collecting improved program and financial data and developing meaningful efficiency measures.



### Update on Follow-up Action

The President's FY 2006 Budget proposed to eliminate the Perkins Loan program. The Administration is working with the Congress on this proposal as part of the *Higher Education Act* reauthorization process. Draft efficiency measures based on the efficiency of program administrative processes were submitted to the Office of Management and Budget in July 2005.

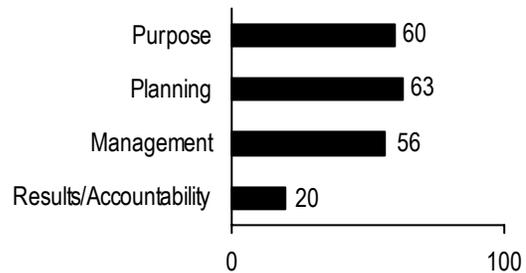


**Program: Federal Supplemental Educational Opportunity Grants**

**Year of Rating:** For FY 2005 Budget

**Rating:** Results Not Demonstrated

**Program Type:** Block/Formula Grant



### Recommended Follow-up Action

- Correct the funding allocation formula as part of the reauthorization of the *Higher Education Act* by ensuring that funds reach postsecondary institutions with the highest proportion of needy students.
- Begin to collect data for the Supplemental Educational Opportunity Grant program that are sufficient to measure program performance and reconcile financial data. These data should support the Department's new performance measurement approach that tracks program success by improving student persistence and graduation.
- Develop meaningful efficiency measures for this program.

### Update on Follow-up Action

The Congress has not yet acted on the reauthorization of the *Higher Education Act*. The President's FY 2006 Budget reflects the Administration's *Higher Education Act* proposal, which includes the above action. In fall 2003, the Department began to examine whether National Student Clearinghouse data could be used to measure student persistence and graduation. Because the Department found problems with this approach, other options are being considered, including a single "unit record" reporting system. The Department has also begun to work on reconciling program financial data. Draft efficiency measures based on the efficiency of program administrative processes were submitted to the Office of Management and Budget in July 2005.

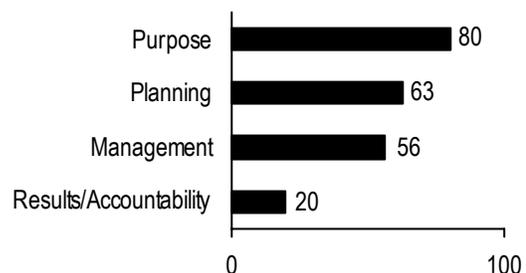


**Program: Federal Work-Study**

**Year of Rating:** For FY 2005 Budget

**Rating:** Results Not Demonstrated

**Program Type:** Block/Formula Grant



### Recommended Follow-up Action

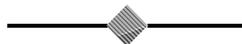
- Begin to collect data for the Work-Study program that are sufficient to measure program performance and reconcile financial

data. These data should support the Department's new performance measurement approach that tracks program success by improving student persistence and graduation.

- Develop meaningful efficiency measures for this program.
- In the *Higher Education Act* reauthorization, propose to replace the 7 percent community service requirement with a separate set-aside for community service, equal to 20 percent of the Work-Study appropriation. Schools would apply for these community service funds separate from their regular allocation.
- Propose to correct the funding allocation formula as part of the reauthorization of the *Higher Education Act* by ensuring that funds reach postsecondary institutions with the highest proportion of needy students.

### **Update on Follow-up Action**

In fall 2003, the Department began to examine whether it could use National Student Clearinghouse data to measure student persistence and graduation. Because the Department found problems with this approach, it is exploring other options. The Department has also begun to work on reconciling program financial data. Draft efficiency measures based on the efficiency of program administrative processes were submitted to the Office of Management and Budget in July 2005. The Congress has not yet acted on the *Higher Education Act* reauthorization. The President's FY 2006 Budget reflects the Administration's proposal for the reauthorization of the *Higher Education Act*, which includes the above follow-up actions.

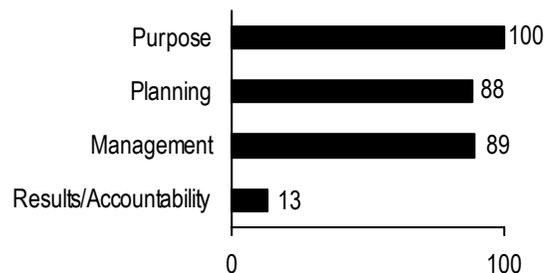


### **Program: Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR-UP)**

**Year of Rating:** *For FY 2005 Budget*

**Rating:** *Adequate*

**Program Type:** *Competitive Grant*



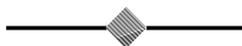
### **Recommended Follow-up Action**

- Collect baseline data for annual measures and work to ensure that appropriate data collection strategies are in place for the program's long-term measures.
- Implement the program's plan for responding to the Office of Inspector General concerns for monitoring program expenditures.
- Develop a meaningful efficiency measure.

### **Update on Follow-up Action**

Since 2003, the Department has made significant progress in measuring GEAR-UP performance. The Department has collected and reported at least two years of data for each annual performance measure, developed a final project performance report, developed an efficiency measure to track the average cost for each GEAR-UP student who successfully enrolls in college immediately after high school, and awarded a contract to assist with data

collection and increase the timeliness of data reporting. In response to audit findings, the Department implemented a strategic monitoring plan for GEAR-UP that included more site visits and staff training in project oversight. Additionally, the Department reprogrammed the Grants and Payments System so that important GEAR-UP budget information on project matching contributions can be appropriately monitored.

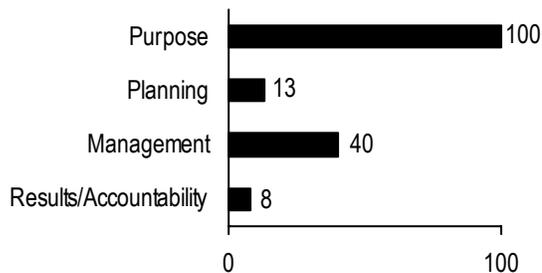


**Program: Independent Living State Grants and Centers**

**Year of Rating:** For FY 2005 Budget

**Rating:** Results Not Demonstrated

**Program Type:** Competitive Grant

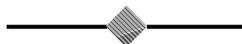


**Recommended Follow-up Action**

- Devise and implement an improved audit and site visit system to ensure that the Department fulfills statutory oversight requirements.
- Conduct periodic and high-quality evaluations of each of the Independent Living programs.
- Develop at least one efficiency measure for each of the Independent Living programs.
- Develop long-term performance goals and measures that reflect the four core areas of services and the standards and assurances for the Independent Living State Grants and Centers programs.
- Reduce the time needed to collect and analyze grantee performance reports and make the aggregate data available to the public on the Department's Web site in an accessible format.

**Update on Follow-up Action**

The Department has made progress in addressing the management and program deficiencies identified in the PART assessment of the Independent Living programs. The Department has developed a schedule to ensure the timely posting of performance data, an efficiency measure that is based on cost per successful outcome, and annual and long-term performance measures that capture program objectives. Due to delays in revising the programs' data collection instrument, data will not be available until 2006. The Department has made limited progress in addressing the requirements for a site visit system and in developing a plan for conducting high-quality evaluations; the Department intends to give more attention to these efforts.



**Program: TRIO Talent Search**

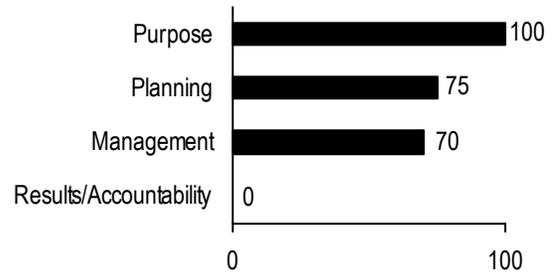
**Year of Rating:** For FY 2005 Budget

**Rating:** Results Not Demonstrated

**Program Type:** Competitive Grant

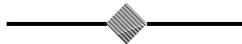
**Recommended Follow-up Action**

- Complete program evaluation currently in progress and use its findings to improve program performance.
- Develop a meaningful efficiency measure.
- Explore policies that would open up the Talent Search application process to include more worthy new applicants, while still rewarding high-performing prior grantees.



**Update on Follow-up Action**

The Department has taken significant steps in response to the Talent Search PART recommendations and, as a result, has reassessed Talent Search in 2005 using the PART. First, the Department completed data collection and analysis for the program evaluation. The Department is reviewing the final evaluation report and plans to use the findings to inform the FY 2006 competition. Second, the Department developed and began implementing an efficiency measure to examine the average annual cost per successful annual outcome—defined as a student who persists toward high school completion or who completes school and enrolls in college. Third, the Department tightened the process for awarding prior experience points to ensure that the competitive preference given to existing grantees is based on demonstrated performance. As part of the *Higher Education Act* reauthorization, the Department continues to examine ways to better link prior experience points to achievement of the key program outcomes.



## **Goal 5: Enhance the Quality of and Access to Postsecondary and Adult Education**

### **Findings and Recommendations From Program Evaluations, Studies, and Reports**

Information that the Department uses to inform management and program improvements comes from many sources, including evaluations, studies, and reports that are Department-sponsored studies and those from the Government Accountability Office (GAO) and the Office of Inspector General (OIG). The following evaluations, studies, and reports were completed during FY 2005.

#### **[Audit Follow-up Process for Office of Inspector General Internal Audits in the Office of Postsecondary Education: Final Audit Report \(ED-OIG/A19F0002\)](#)**

This Office of Inspector General audit is a part of a review of the Department's internal audit follow-up processes being performed in four departmental offices. Each assistant secretary is responsible for the overall audit follow-up process, determines the financial adjustments to be made to resolve findings in audit reports, and oversees the implementation of audit recommendations. The Office of Inspector General determined that improvements are needed in the Office of Postsecondary Education's internal control over its audit follow-up process. (See p. 172 for a summary of this report.)

#### **[Case Management and Oversight's Monitoring of Postsecondary Institutions: Final Audit Report \(ED-OIG/A04-D0014\)](#)**

In this report, the Department's Office of Inspector General examined the Office of Federal Student Aid's Case Management and Oversight's use of program reviews and technical assistance and headquarters management controls over regional offices' monitoring of postsecondary institutions. Case Management and Oversight's primary responsibility is to monitor postsecondary institutions' compliance with statutory and regulatory requirements for participation in Title IV programs. The Office of Inspector General identified weaknesses in the Institutional Assessment Model used to identify and select institutions for review, regional office program review and technical assistance processes, and the monitoring of regional office operations. (See p. 173 for a summary of this report.)

#### **[Federal Family Education Loan Program: More Oversight Is Needed for Schools That Are Lenders \(GAO-05-184\)](#)**

In FY 2004, lenders made about \$65 billion in loans through the Federal Family Education Loan Program to assist students in paying for postsecondary education. This report determined the extent to which schools have participated as program lenders, their characteristics, and federal statutory and regulatory safeguards that are in place to protect borrowers and taxpayers. Under the *Higher Education Act*, Federal Family Education Loan Program lenders must submit annually audited financial statements and compliance audits. As of FY 2004, 10 out of 29 school lenders had not submitted an audit for FY 2002. (See p. 174 for a summary of this report.)

**[Student Aid and Postsecondary Tax Preferences: Limited Research Exists on Effectiveness of Tools to Assist Students and Families Through Title IV Student Aid and Tax Preferences \(GAO-05-684\)](#)**

Title IV of the *Higher Education Act* provides federal assistance for postsecondary education to students and families through grant and loan programs. While both Title IV and tax preferences provide assistance to students and families, tax preferences differ from Title IV assistance in the areas of timing, distribution, and students' and families' responsibility. This report examines how Title IV assistance compares to that provided through the tax code, the extent to which tax filers effectively use postsecondary tax preferences, and reviews what is known about the effectiveness of federal financial assistance. While tax preferences are of more recent origin than Title IV aid, the number of tax filers using preferences has grown quickly, surpassing the number of students aided under Title IV in 2002. (See p. 175 for a summary of this report.)

**[Student Financial Aid: Need Determination Could Be Enhanced Through Improvements in Education's Estimate of Applicants' State Tax Payments \(GAO-05-105\)](#)**

Most federal student financial aid is awarded based on the applicant's cost of college attendance less the amount of the student's and/or family's expected contribution. The tax allowance effectively reduces the expected family contribution. This report examines the Department's updating of tax data and the effects the update might have on financial assistance for aid applicants. Had the Department updated the tax allowance annually, the family's expected contribution would have increased for a majority of aid applicants, with 38 percent of applicants either receiving less in Pell grants or becoming ineligible for them. (See p. 176 for a summary of this report.)

## **Report on Audit Processes in the Department's Office of Postsecondary Education**

### **Report Title**

*Audit Followup Process for Office of Inspector General Internal Audits in the Office of Postsecondary Education: Final Audit Report (ED-OIG/A19F0002) September 2005.*

### **Overview**

This audit report is part of a review of the Department's internal audit follow-up processes being performed in four departmental offices. The Office of Inspector General determined that improvements are needed in the Office of Postsecondary Education's internal control over its audit follow-up process.

### **Findings**

- Although the Office of Postsecondary Education (OPE) certified that corrective action items were completed, the office was unable to document completion of 7 of the 22 corrective action items (32 percent).
- Although OPE maintained audit resolution files, the file documentation did not support completion of 12 of the 22 corrective action items (55 percent).
- The Office of Inspector General was able to validate closure dates for 9 of the 15 supported corrective actions through documentation; OPE reported 3 of 9 action items (33 percent) as completed prior to dates reflected by supporting documentation.

### **Recommendations**

- OPE should ensure audit follow-up documentation clearly supports completion of the stated action item.
- OPE should ensure completion dates reported in the automated tracking system are consistent with dates reflected in supporting documentation.
- OPE should update its automated audit tracking system to reflect the actual completion dates of action items noted in the audit with discrepancies in the reported completion dates and should ensure that changes to agreed upon action items are identified by editing the Action Item field rather than using the Principal Office Comments field.

### **Department's Response**

- OPE has implemented several changes to improve audit tracking process, which include documenting operating procedures for audit resolution; establishing a database to ensure tracking of audit activities; maintaining electronic files of all audits and supporting documentation; and augmenting contractor support for additional automation of audit processes.
- OPE will conduct training to address action item completion and recommended supporting documentation.
- OPE has taken action to ensure that the Office of Inspector General is notified of any action item changes by correctly entering the information in the automated tracking system.

## **Report on Monitoring of Postsecondary Institutions**

### **Report Title**

*Case Management and Oversight's Monitoring of Postsecondary Institutions: Final Audit Report* (ED-OIG/A04-D0014) September 2004.

### **Overview**

The Department's Office of Inspector General examined the Office of Federal Student Aid's Case Management and Oversight's use of program reviews and technical assistance and headquarters management controls over regional offices' monitoring of postsecondary institutions for participation in Title IV programs. The Office of Inspector General identified weaknesses in the Institutional Assessment Model used to identify and select institutions for review, the regional office program review and technical assistance processes, and the monitoring of regional office operations.

### **Findings**

- The Institutional Assessment Model is an ineffective tool for identifying at-risk institutions.
- The program review and technical assistance processes are not adequately documented and there is limited follow-up.
- Case Management and Oversight—Headquarters' monitoring of regional office operations needs improvement.

### **Recommendations**

- The Department's Office of Federal Student Aid (FSA) should require Case Management and Oversight—Headquarters to develop and implement management controls to ensure that the data used to identify the most at-risk institutions are complete and accurate; develop a methodology for evaluating the effectiveness of any risk assessment model used to identify institutions presenting the highest risk of loss of Title IV funds; and provide guidance to regional case management teams for identifying institutions for program review and technical assistance.
- FSA should establish policies and procedures over program reviews and the appropriate monitoring actions to be taken based on specific compliance issues and develop quality control processes to ensure compliance with monitoring and enforcement actions.
- FSA should implement policies and procedures for providing technical assistance and follow up for compliance and implement management controls for oversight of Case Management and Oversight operations.

### **Department's Response**

- FSA will revise the procedures as necessary and provide training to case teams; it has identified requirements for a new model for identifying at-risk institutions.
- FSA agreed to strengthen the documentation of the fiscal review process.
- FSA issued new Management Improvement Services (technical assistance) procedures for selecting institutions for technical assistance, using corrective action plans, and ensuring proper documentation and follow-up.
- FSA currently has an appropriate oversight and monitoring process in place but will work continuously to improve processes.

## **Report on the Federal Family Education Loan Program**

### **Report Title**

*Federal Family Education Loan Program: More Oversight Is Needed for Schools That Are Lenders (GAO-05-184) January 2005.*

### **Overview**

In FY 2004, lenders processed about \$65 billion in loans through the Federal Family Education Loan program to assist students in paying for postsecondary education. The Department's Office of Federal Student Aid is responsible for ensuring that lenders comply with program laws and regulations. Questions have arisen as to whether it is appropriate for schools to become lenders, given that they determine eligibility for loans and set the price of attendance. This GAO report determined the extent to which schools have participated as program lenders and their characteristics, the structure of schools' lending operations, benefits for borrowers and schools, and statutory and regulatory safeguards designed to protect taxpayers' and borrowers' interests.

### **Findings**

- The Office of Federal Student Aid has had limited information about how school lenders have complied with Federal Family Education Loan program regulations.
- Under the *Higher Education Act*, program lenders that originate or hold more than \$5 million in program loans must annually submit audited financial statements and compliance audits; in October 2004, the Office of Federal Student Aid discovered that 10 out of 29 school lenders that were required to submit an audit for FY 2002 had not done so, and the Office of Federal Student Aid had not conducted program reviews of school lenders.

### **Recommendations**

- The Office of Federal Student Aid needs to enhance oversight of school lenders by ensuring compliance with applicable statutory and regulatory requirements through timely audited financial statements and compliance audits.
- The Office of Federal Student Aid also needs to conduct program reviews.

### **Department's Response**

- The Department's efforts to verify that lenders submitted the required annual compliance audits for FY 2002 were instrumental in ensuring compliance, and all school lenders who were required to submit such audits for FY 2003 have done so.
- The Department has requested additional information of 31 school lenders regarding compliance with regulations on the use of interest income and special allowance payments for need-based grants. The Department is planning to conduct a more thorough review of 10 school lenders.

## **Report on Student Aid and Postsecondary Tax Preferences**

### **Report Title**

*Student Aid and Postsecondary Tax Preferences: Limited Research Exists on Effectiveness of Tools to Assist Students and Families Through Title IV Student Aid and Tax Preferences* (GAO-05-684) July 2005.

### **Overview**

Title IV of the *Higher Education Act* provides federal assistance to students and families through grant and loan programs to pay for postsecondary education. While both Title IV aid and tax preferences provide assistance to students and families, tax preferences assist students and families saving for and repaying postsecondary costs and require greater responsibility on the part of students and families. In light of the relative newness of tax preferences, the Government Accountability Office reported on the difference between Title IV assistance and that provided through the tax code, the extent to which tax filers effectively use postsecondary tax preferences, and current knowledge about the effectiveness of federal financial assistance.

### **Findings**

- While tax preferences are of more recent origin than Title IV aid, the number of tax filers using preferences has grown quickly, surpassing the number of students aided under Title IV in 2002.
- Some tax filers do not make optimal education-related tax decisions; 27 percent of eligible tax filers did not claim either the tuition deduction or a tax credit.
- Little is known about the effectiveness of Title IV aid or tax preferences in promoting choice, attendance or persistence, and as a result, policymakers do not have information to make the most efficient use of limited federal resources to help students and families.
- Tax preferences differ from Title IV assistance in three key areas: timing, distribution, and students' and families' responsibility for obtaining benefits.

### **Recommendations**

- The report made no new recommendations; instead, it cited a 2002 Government Accountability Office report that recommended the Department sponsor research into key aspects of the effectiveness of Title IV programs, but little progress has been made on that recommendation.
- The Department should make available information about the effectiveness of both tax preferences and Title IV federal grant and loan programs, so that decisionmakers can make efficient use of limited federal resources to help students and families pay for postsecondary education.

### **Department's Response**

The Department disagrees that the Title IV programs have not been adequately studied. The Government Accountability Office analysis failed to cite the more than 60 reports and other publications that the National Center for Education Statistics prepared using data from the sixth National Postsecondary Student Aid Survey, the Survey of Beginning Postsecondary Students Longitudinal Study, and the Baccalaureate and Beyond Student Survey, each repeated four times.

## **Report on the Need Determination for Student Financial Aid**

### **Report Title**

*Student Financial Aid: Need Determination Could Be Enhanced Through Improvements in Education's Estimate of Applicants' State Tax Payments (GAO-05-105) January 2005.*

### **Overview**

Most federal student financial aid is awarded based on the applicant's cost of college attendance less the amount of the student's and/or family's expected contribution. The tax allowance effectively reduces the expected family contribution. Given the impact of the allowance on the awarding of financial aid, the Government Accountability Office reported on what factors affected the updating of the tax data, the possible effects the 2003 update would have on financial assistance for aid applicants, and limitations in the method for deriving the tax allowance.

### **Findings**

- Although required by law to revise the tax allowance annually, the Department has attempted the updates only twice—in FY 1993 and again in FY 2003.
- The Department did not seek data to update the allowance annually and did not establish effective internal controls to guide the updating process. The Department did not consider alternatives when data were not available.
- Had the update been implemented in 2004-05, the allowance would have decreased in most states, and the family's expected contribution would have increased for a majority of aid applicants.

### **Recommendations**

- The Department should improve procedures to ensure annual receipt of the most current tax data from the Internal Revenue Service.
- The Department should revise the methodology for calculating the allowance to better reflect the varying tax rates paid by students and families in different income groups and use a standard allowance for all aid applicants regardless of state residence.
- The Department should consider collecting tax information directly from student aid applicants and their families.

### **Department's Response**

- Since 2002, the Department has had formal procedures to ensure that it annually requests and obtains the most current tax data from the Internal Revenue Service.
- Replacing Internal Revenue Service file data with an alternative source, applying a uniform allowance to the incomes of all applicants, incorporating different or additional income bands, and collecting information on state and local taxes directly from federal aid applicants would require statutory change.
- The Department is sensitive to the burden that applying for student financial assistance places on families and institutions; collecting state and local tax information directly from families or institutions of higher education would create an unacceptable increase in burden.