Department of Education

STUDENT AID OVERVIEW

Fiscal Year 2016 Budget Request

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STUDENT AID OVERVIEW

Federal Student Aid Programs
(Higher Education Act of 1965, Title IV)

(dollars in thousands)

FY 2016 Authorization: Indefinite

Budget Authority:[1]

	2015	2016	Change
Grants and Work-Study:			
Pell Grants			
Discretionary funding	$22,475,352	$22,475,352	0
Mandatory funding [2]	6,079,531	6,460,396	+$380,865
Subtotal, Pell Grants	28,554,883	28,935,748	+380,865
Federal Supplemental Educational Opportunity Grants	733,130	733,130	0
Federal Work-Study	989,728	989,728	0
Iraq and Afghanistan Service Grants [3]	340	0	-340
TEACH Grants [4]	-16,946	11,725	+28,671
Total, Grants and Work-Study	1,706,252	1,734,583	+28,331
Net Loan Subsidy, Loans: [5]			
Federal Family Education Loans (FFEL) [6]	-3,293,567	0	+3,293,567
Federal Direct Student Loans [7]	25,647,469	-14,011,763	-39,659,232
Federal Perkins Loan Program [8]	0	-876,857	-876,857

[1] Table reflects discretionary appropriations and mandatory funding.

[2] Amounts appropriated for Pell Grants for 2015 and 2016 include mandatory funding provided by the Consolidated Appropriations Act, 2012.

[3] Amount in 2016 reflects Budget policy to move Iraq and Afghanistan Service Grants to the Pell Grant program.

[4] For budget purposes, TEACH Grants is operated as a credit program. Amounts reflect the new loan subsidy, or the net present value of estimated future costs.

[5] Total net subsidy in any fiscal year reflects the estimated net cost of the loan program for that fiscal year. It includes both positive and negative subsidies and upward and downward impacts of re-estimates and modifications of existing loans. A negative subsidy occurs when the present value of cash inflows to the Government is estimated to exceed the present value of cash outflows. Normally budget authority is not shown if it is negative. However, for informational purposes, the amounts here reflect estimated negative budget authority. Negative subsidy is reported (as negative outlays) to a negative subsidy receipt account.

[6] Budget authority for FFEL does not include the FFEL Liquidating account. Amount for 2015 reflects a net downward re-estimate of $3,293,566 thousand due primarily to updated deferment assumptions.

[7] Amount for 2015 includes a net upward re-estimate of $21,842,075 thousand, primarily due to updated interest rate assumptions and increased participation in income-driven repayment plans. Fiscal year 2016 request includes a net downward modification of $804,088 thousand to reflect the budgetary impact of the proposed expansion of the Pay As You Earn plan.

[8] Amount for 2016 reflects the Budget proposal to reform and modernize Perkins Loans as a mandatory credit program; the request shows the net present value of estimated future costs of the estimated 2016 loan cohort.

STUDENT AID OVERVIEW

FY 2016 BUDGET PROPOSAL

The Federal student aid programs provide grant, loan, and work-study assistance to help students afford a postsecondary education. These funds enable millions of Americans to obtain the significant and lifelong benefits of a higher education. The Administration is proud of its record in, and commitment to, higher education. To help ensure that students and families can afford and attain a postsecondary credential without taking on more debt than they can afford, a strategic student aid approach is needed so that both students and the Nation can thrive in the global economy. Accordingly, the fiscal year 2016 Budget includes proposals to address the college affordability challenge. The request dedicates $176.1 billion to Federal student aid in fiscal year 2016, including $28.9 billion to Pell Grants and nearly $141.7 billion to student loans. More than 13.2 million students would benefit from this aid in their efforts to access, and succeed in, college. In addition, the Administration is proposing a new initiative, America's College Promise, that will support 2 years of free community college for responsible students, and is re-proposing an initiative to provide bonuses to schools that improve the graduation rates of Pell recipients, both supported with mandatory funding.

This overview discusses the Administration's proposed package of initiatives and reforms that will not only increase aid to students, but also improve the effectiveness of grant, work-study, and student loan programs. Current student aid programs are described in detail under **Student Financial Assistance**, beginning on page P-1, **TEACH Grants** on page Q-1, and the **Student Loans Overview** on page R-1. The administrative costs associated with the student aid programs are presented in the **Student Aid Administration** section, beginning on page Z-1. **America's College Promise** and the **College Opportunity and Graduation Bonus** programs are discussed in the **Higher Education** section, beginning on page S-1.

The United States has long been a global leader in postsecondary education, but recently this advantage has slipped. While the U.S. ranks 5th in terms of the proportion of 25–64 year olds with a postsecondary education, it ranks 12th in attainment among those aged 25–34. There is a significant opportunity gap as well. Today, 80 percent of high-school graduates from the wealthiest families continue on to higher education, while just over half of students with incomes in the bottom quartile attend college. Even when high-school graduates can afford to begin higher education, they all too often fail to finish. Less than six in 10 four-year college students graduate within 6 years.

In accordance with the President's vision of leading the world in college attainment rates, the 2016 Budget's student aid proposals: (1) provide sufficient resources to fully fund the maximum Pell Grant award—which is $5,775 in the 2015-2016 award year, and will increase with inflation in the 2016—2017 award year—and index it to inflation beyond 2017; (2) make community college free for responsible students while promoting key reforms to help more students complete at least 2 years of college; (3) simplify the application for Federal student aid; (4) reform and streamline income-driven repayment; (5) reform the campus-based student aid programs to target students at schools that provide a quality education at a reasonable price; and (6) reward colleges that successfully enroll and graduate a significant number of low- and moderate-income students on time.

This Budget would fully fund the Pell program in 2016. In addition, savings from expanding the Perkins Loan program would be reinvested in student aid, specifically to continue indexing the maximum Pell Grant award to inflation beyond 2017, as part of an overall net increase to Federal student aid investments. The Budget projects a 10-year discretionary Pell shortfall of $29.7 billion, $13.9 billion less than the ten year forecast from 2015. Although a funding cliff is now expected in later years, there is remaining uncertainty about the amount of the shortfall, and the year in which it will reemerge. While this Budget provides for significant contributions toward addressing future Pell funding needs, the Administration will work with Congress to ensure the long-term stability of this vital program.

Student Aid Reform Proposals

The 2016 Budget is designed to take bold steps to make college affordable and to advance needed reforms to modernize and improve the Federal student aid programs. The specifics of these reform proposals are discussed below.

America's College Promise Proposal: Tuition-Free Community College for Responsible Students

The Budget proposes the America's College Promise, to ensure all Americans have the opportunity to pursue and succeed in higher education, with **a goal of making 2 years of college as universal as high school**. The new grant program will provide funding to States that agree to waive tuition and fees in high-quality programs at community colleges for responsible students, increase their own investment through matching funds, allocate a significant portion of State funding based on performance, and undertake a set of key reforms to help more students complete at least 2 years of college.

The Budget would provide $60 billion in mandatory funding over 10 years to this program. Reflecting America's higher education model of shared responsibility, everyone will have to do their part: 1) States must invest more in public higher education and training; 2) community colleges must strengthen their programs and improve student outcomes; and, 3) students must take responsibility for their education, attend at least half-time, and earn good grades, to stay on track to graduate. For more information on this program, see the **Higher Education** account, beginning on page S-1.

FAFSA Simplification: A Simpler Application Process

The Department of Education has taken administrative steps to greatly improve the Federal financial aid process. Today, more than 99 percent of the Free Application for Federal Student Aid (FAFSA) applications are submitted online. The online FAFSA uses skip-logic, which allows applicants to skip questions that do not pertain to them, to expedite completion. On average, students complete the online FAFSA in approximately 20 minutes, down from over an hour in 2009. Moreover, more than 65 percent of students and more than 50 percent of parents with available data use the IRS Data Retrieval Tool, which allows students and parents to access and transfer their IRS tax return information into the FAFSA.

Despite these improvements, the FAFSA requires some applicants to complete over 100 questions to determine their eligibility for Federal student aid, and this complexity discourages many eligible students from applying for aid: an estimated 2 million students who would have qualified for a Pell Grant failed to complete the application. Therefore, the FAFSA could be further shortened and simplified by removing data elements pertaining to assets and additional types of income and by relying primarily on information readily available in Federal tax returns, making it more understandable and easier for applicants to complete. That is why the President's 2016 Budget proposes additional and significant FAFSA simplification by removing questions regarding savings, investments, and net worth. Additionally, untaxed income and exclusions from income data that are not reported to the IRS would no longer be collected. **To prevent resulting decreases of aid awards, the Budget also proposes adjustments to the Expected Family Contribution for certain categories of applicants.**

Reform the Pay As You Earn Repayment Plan and Simplify Repayment Plan Options

In October 2011, the Administration announced the Pay As You Earn (PAYE) initiative to accelerate the benefits of the Income-Based Repayment (IBR) plan as modified in the Health Care and Education Reconciliation Act. Last summer, the President took action within his existing authority to propose PAYE expansion to all existing borrowers, on which the Department will be conducting negotiated rulemaking in 2015. Under existing authority, the Administration will be extending a modified PAYE plan beginning in FY 2015 to all qualified student borrowers regardless of when they borrowed. However, the Administration continues to seek to work with Congress to create a single, simple, and better targeted income-driven program while ensuring that student loan payments remain manageable. The Budget would use the savings from this proposal to continue indexing the maximum Pell Grant award beyond 2017, when indexing will expire and Pell Grants will begin to lose ground to inflation. The 2016 Budget would **reform and streamline income-driven repayment to ensure that program benefits are targeted to the neediest borrowers** and safeguard the program for the future, including by protecting against institutional practices that may further increase student indebtedness. The most substantial change will be to simplify income-driven repayment by making a modified PAYE the only income-driven repayment plan for borrowers who originate their first loan on or after July 1, 2016. This would simplify borrowers' experience and allow for easier selection of a repayment plan, while reducing program complexity and targeting benefits to ensure program effectiveness. Students who borrowed their first loans prior to July 1, 2016, would continue to be able to select among the existing repayment plans (for plans for which they now qualify and for loans originated through their current course of study), in addition to the modified PAYE, which includes the following reforms:

- Expand PAYE to all eligible borrowers in FY 2015, regardless of when they borrowed;

- Calculate payments for married borrowers filing separately on the combined household Adjusted Gross Income;

- Establish a 25-year forgiveness period for borrowers with balances above the aggregate loan limit ($57,500) for independent undergraduate students;

- Eliminate the standard payment cap so that high-income, high-balance borrowers pay an equitable share of their earnings as their income rises; and

- Cap the amount of interest that can accrue when a borrower's monthly payment is insufficient to cover the interest to avoid ballooning loan balances.

The Budget also proposes the following legislative changes:

- Capping Public Sector Loan Forgiveness (PSLF) at the aggregate loan limit for independent undergraduate students to protect against institutional practices that may further increase student indebtedness, while ensuring the program provides sufficient relief for students committed to public service; and

- Preventing payments made under non-income driven repayment plans from being applied toward PSLF to ensure that loan forgiveness is targeted to students with the greatest need.

Reform Campus-Based Aid to Better Serve Low-Income Students

Some of the roughly 7,000 institutions of higher education that participate in the Federal Pell Grant and/or Federal Student Loan programs also participate in one or more of the Federal Campus-based Aid programs: Federal Supplemental Educational Opportunity Grants (SEOG), Federal Work-Study, and Federal Perkins Loan programs. While all schools are eligible to participate in the campus-based aid programs, antiquated statutory formulas with stringent hold-harmless provisions have resulted in institutions receiving allocations that reward schools for high tuition prices, do not reflect the population of Pell-eligible students attending the institutions, and fail to consider whether institutions are a good value for students. The President’s 2016 Budget proposes **to reform Federal allocations in the campus-based programs** to target those institutions that enroll and graduate higher numbers of Pell-eligible students, and offer affordable and quality education and training such that graduates can obtain employment and repay their educational debt.

Perkins Loan Program Modernization and Expansion

The Budget proposes to modernize and expand the Perkins Loan program into a new Unsubsidized Perkins Loan program which would provide $8.5 billion in loans annually, allocating lending authority among institutions on the basis of the extent to which institutions enroll and graduate higher numbers of Pell-eligible students, and offer affordable and quality education such that graduates can repay their educational debt. This reform would replace the current program whose authorization expired in 2014, and which was extended for 1 year, until 2015, under the General Education Provisions Act. When fully implemented, the new Perkins loan program **would provide eight and a half times the current Perkins loan volume and expand institutional participation** by up to an additional 2,700 postsecondary institutions. Savings resulting from this reform will be reinvested in student aid spending, specifically to continue indexing the maximum Pell Grant award to inflation beyond 2017.

The Department would administer the new Perkins Loan program in the same manner as Federal Direct Student Loans; however, institutions would continue to have discretion with regard to allocating funds at their institutions to particular students. By modernizing and expanding the program, more students would have increased access to Federal funds that carry important protections and benefits, including income-based repayment plans and loan forgiveness options.

SEOG and Work-Study Allocation Formula Reform

Proposed reforms to the allocation formula for SEOG and Work-Study would **redirect funding** from institutions receiving funds primarily based on historical funding levels **to institutions that enroll and graduate higher numbers of Pell-eligible students, and offer affordable and quality education and training such that graduates can obtain employment and repay their educational debt**. Allocations to schools that fail to maintain a commitment to meeting these standards would be redistributed to better-performing institutions.

Reward Colleges for Results

Building on the President's ambitious new agenda to combat rising college costs and make college affordable for American families, the College Opportunity and Graduation Bonus program would provide grants to **reward colleges that successfully enroll and graduate** a significant number of low- and moderate-income **students on time** and encourage all institutions to improve their performance. For more information on this program, see the **Higher Education** account, beginning on page S-1.

Assist Pell-Eligible Students with Specific Needs to Receive a Grant

The Budget proposes to make several reforms to strengthen and protect the Pell Grant program while promoting student responsibility. First, it would **strengthen academic progress requirements** in the Pell Grant program in order to encourage students to complete their studies on time. Second, it would allow those **students enrolled in eligible career pathways programs who are eligible under the recently restored Ability to Benefit provision to get the full Pell Grant award**, thus enabling adults without a high school diploma to gain the knowledge and skills they need to secure a good job. Third, it would **prevent additional Pell disbursements to recipients who repeatedly enroll and obtain aid but do not earn any academic credits**. Finally, the Budget would **move Iraq Afghanistan Service Grants to the Pell Grant program** to avoid further award reductions as a result of sequestration and ensure our veterans' children receive the full, non-sequestered Pell award for which they are eligible.

Ensure Student Aid Resources are Used Well

The Budget proposes to include other Federal educational programs, such as Department of Defense Tuition Assistance and Department of Veterans Affairs GI Bill Benefits, in the 90/10 calculation in the administration of Title IV Federal student aid at proprietary (for-profit) institutions. Currently, for institutions participating in Federal student aid programs, no more than 90 percent of revenue can come from Federal student loans and grants.

STUDENT AID PROGRAMS OUTPUT MEASURES

Aid Available to Students [1]

($ in millions)

	2014	2015	2016
Pell Grants	$30,998	$31,327	$32,113
Supplemental Educational Opportunity Grants	977	977	977
Federal Work-Study	1,159	1,176	1,176
Iraq and Afghanistan Service Grants[2]	0	0	--
New Student Loans:			
Stafford Loans	26,200	26,346	26,954
Unsubsidized Stafford Loans	55,562	57,502	60,983
Parent PLUS Loans	10,787	11,361	11,978
Grad PLUS Loans	8,267	8,706	9,245
Perkins Loans	1,010	1,010	613
Unsubsidized Perkins Loans	0	0	4,113
TEACH Grants[3]	92	80	94
Subtotal, New Student Loans[4]	101,917	105,006	113,981
Total	135,050	138,486	148,247

NOTE: Detail may not add to total aid available due to rounding.

[1] Shows total aid generated by Department programs, including Perkins Loan capital from institutional revolving funds, and institutional matching funds generated by the SEOG, and Work-Study programs.

[2] Aid available under the Iraq and Afghanistan Service Grants (IASG) program is projected at $331,000, $376,000, and $476,000, respectively, for fiscal years 2014, 2015, and 2016. In 2016, aid available is displayed as part of the Pell Grant program, reflecting Budget policy to consolidate IASG into the Pell Grant program.

[3] For budget and financial management purposes, this program is operated as a loan program under the Federal Credit Reform Act of 1990.

[4] Does not include loans issued to consolidate existing loans (Consolidation Loans), which total $34,569 million in 2014, $26,575 million in 2015, and $27,808 million in 2016.

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Number of Student Aid Awards

(in thousands)

	2014	2015	2016
Pell Grants	8,173	8,237	8,376
Supplemental Educational Opportunity Grants	1,629	1,629	1,629
Federal Work-Study	692	703	703
Iraq and Afghanistan Service Grants	N/A [1]	N/A [1]	N/A [1]
New Student Loans:			
Stafford Loans	8,134	8,141	8,321
Unsubsidized Stafford Loans	10,086	10,213	10,637
Parent PLUS Loans	849	880	913
Grad PLUS Loans	514	537	564
Perkins Loans	502	502	313
Unsubsidized Perkins Loans	0	0	731
TEACH Grants	33	31	33
Subtotal, New Student Loans [2]	20,118	20,303	21,512
Total new awards	31,299	31,361	32,724

NOTE: Detail may not add to Total due to rounding.
[1] N/A denotes number of recipients will not exceed 1,000.
[2] Does not include loans issued to consolidate existing loans.

Number of Postsecondary Students Aided by Department Student Aid Programs

	2014	2015	2016
Unduplicated Count (in thousands)	12,770	13,150	13,235

PROGRAM PERFORMANCE INFORMATION

Performance Measures

This section presents selected program performance information, including, for example, GPRA goals, objectives, measures and performance targets and data; and an assessment of the progress made toward achieving program results. Achievement of program results is based on the cumulative effect of the resources provided in previous years and those requested in fiscal year 2016 and future years, as well as the resources and efforts invested by those served by this program.

Because Federal student assistance grant and loan programs rely on the same program data, performance indicators and strategies that apply to these programs are grouped here in the

Student Aid Overview and are not repeated in justifications for the **Student Financial Assistance** or **TEACH Grants** program accounts, or in the **Student Loans Overview**.

Goal: To ensure access to high-quality postsecondary education by providing financial aid in the form of grants, loans, and work-study in an efficient, financially sound, and customer-responsive manner.

Objective: *Ensure that low- and middle-income students will have the same access to postsecondary education that high-income students do.*

Measure: College enrollment rates: Postsecondary education enrollment rates will increase each year for all students, while the enrollment gap between low- and high-income and minority and non-minority high school graduates will decrease each year.

Targets and Performance Data

The percentage of high school graduates aged 16–24 enrolling immediately in college following high school.

Year	**Target:** Total Percentage Enrolled	**Actual:** Total Percentage Enrolled
2011	68.00%	68.20%
2012	68.00	66.20
2013	68.00	
2014	68.00	
2015	68.00	
2016	TBD	

Year	**Target:** Difference in the percentage of **low- and high-income high school graduates** ages 16–24 enrolling immediately in college	**Actual:** Difference in the percentage of **low- and high-income high school graduates** ages 16–24 enrolling immediately in college
2011	25.75%	28.90%
2012	25.50	29.80
2013	25.25	
2014	25.00	
2015	24.75	
2016	TBD	

Measure: College enrollment rates: Postsecondary education enrollment rates will increase each year for all students, while the enrollment gap between low- and high-income and minority and non-minority high school graduates will decrease each year.

Targets and Performance Data
The percentage of high school graduates aged 16–24 enrolling immediately in college following high school.

Year	**Target:** Difference in the percentage of **Black and White high school graduates** ages 16–24 enrolling immediately in college	**Actual:** Difference in the percentage of **Black and White high school graduates** ages 16–24 enrolling immediately in college
2011	6.25%	1.20%
2012	6.00	9.30
2013	5.75	
2014	5.50	
2015	5.25	
2016	TBD	

Year	**Target:** Difference in the percentage of **Hispanic and White high school graduates** ages 16–24 enrolling immediately in college	**Actual:** Difference in the percentage of **Hispanic and White high school graduates** ages 16–24 enrolling immediately in college
2011	9.25%	1.70%
2012	9.00	4.60
2013	8.75	
2014	8.50	
2015	8.25	
2016	TBD	

Additional Information: In 2012, the overall enrollment rate in postsecondary education following high school fell slightly below the goal target of 68.0 percent, to 66.2 percent. Prior to this dip, this metric had exceeded its goal for 4 consecutive years. While the decrease in the difference between low- and high-income students who enrolled immediately in college after high school grew slightly, by 0.9 percentage points, it is still lower than it was in 2010 (31.5 percent). The Administration believes its commitment to the Student Financial Assistance programs will continue to encourage and permit more low-income students to enroll in college—and provide them the means to remain in school—than would be the case in the absence of these programs.

Unfortunately, in the difference between Black and White high school graduates enrolling in college immediately after high school, there was a reversal of events from the prior year. The difference in enrollment rates—at 9.3 percent—appears more like the statistic from 2010 (8.5 percent), rather than the corresponding figure from 2011. However, in the equivalent Hispanics of any race and White non-Hispanic students statistic, while the difference between these races increased (from 1.7 percent to 4.6 percent), this figure does not tell the whole story. In fact, the 4.6 percent difference is accounted for by Hispanic students out-enrolling White non-Hispanic students immediately in college following high school. The Administration remains committed to furthering equal educational opportunity, and will continue to pursue policies to support this important goal.

Data for the measures is taken from the Digest of Education Statistics, published annually by the National Center for Education Statistics. Fiscal year 2013 data will be available in 2015.

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Objective: *Ensure that more students will persist in postsecondary education and attain degrees and certificates.*

Measure: Graduation rate: Graduation rates for all first-time, full-time, degree-seeking students in 4-year and less than 4-year programs will improve, while the gap in completion rates between minority and non-minority students will decrease.

Targets and Performance Data
The percentage of first-time, full-time degree seeking students completing within 150 percent of the normal time required.

Year	**Target:** Students completing a **4-year degree** within 150 percent of the normal time required	**Actual:** Students completing a **4-year degree** within 150 percent of the normal time required
2011	61.00%	58.70%
2012	62.00	59.20
2013	63.00	
2014	64.00	
2015	65.00	
2016	TBD	

Year	**Target:** Students completing a **less than 4-year degree** within 150 percent of the normal time required	**Actual:** Students completing a **less than 4-year degree** within 150 percent of the normal time required
2011	41.00%	31.30%
2012	42.00	31.00
2013	43.00	
2014	44.00	
2015	45.00	
2016	TBD	

Measure: Graduation rate: Graduation rates for all first-time, full-time, degree-seeking students in 4-year and less than 4-year programs will improve, while the gap in completion rates between minority and non-minority students will decrease.

Targets and Performance Data
The percentage of first-time, full-time degree seeking students completing within 150 percent of the normal time required.

Year	**Target:** Difference in the percentage of **Black and White first-time, full-time students** completing a 4-year degree within 150 percent of the normal time required	**Actual:** Difference in the percentage of **Black and White first-time, full-time students** completing a 4-year degree within 150 percent of the normal time required
2011	16.70%	22.20%
2012	16.50	22.30
2013	16.25	
2014	16.00	
2015	15.70	
2016	TBD	

Year	**Target:** Difference in the percentage of **Hispanic and White first-time, full-time students** completing a 4-year degree within 150 percent of the normal time required	**Actual:** Difference in the percentage of **Hispanic and White first-time, full-time students** completing a 4-year degree within 150 percent of the normal time required
2011	10.00%	11.00%
2012	9.50	10.70
2013	9.00	
2014	8.70	
2015	8.50	
2016	TBD	

Measure: Graduation rate: Graduation rates for all first-time, full-time, degree-seeking students in 4-year and less than 4-year programs will improve, while the gap in completion rates between minority and non-minority students will decrease.

Targets and Performance Data
The percentage of first-time, full-time degree seeking students completing within 150 percent of the normal time required.

Year	**Target:** Difference in the percentage of **Black and White first-time, full-time students completing a less than 4-year program** within 150 percent of the normal time required	**Actual:** Difference in the percentage of **Black and White first-time, full-time students completing a less than 4-year program** within 150 percent of the normal time required
2011	5.70%	2.50%
2012	5.50	3.80
2013	5.40	
2014	5.30	
2015	5.20	
2016	TBD	

Year	**Target:** Difference in the percentage of **Hispanic and White first-time, full-time students completing a less than 4-year program** within 150 percent of the normal time required	**Actual:** Difference in the percentage of **Hispanic and White first-time, full-time students completing a less than 4-year program** within 150 percent of the normal time required
2011	1.10%	5.10%
2012	1.00	6.30
2013	0.90	
2014	0.80	
2015	0.80	
2016	TBD	

Additional Information: For students graduating with a 4-year degree within 150 percent of the normal time, there was a slight increase from 2011 to 2012 in the graduation rate (from 58.7 to 59.2 percent). For students completing with less than a 4-year degree, the completion rate stayed relatively stable, only decreasing very slightly (from 31.3 to 31.0 percent).

The year-over-year differences between the completion gaps in Black and White students (an increase of 0.1 percentage point) and between Hispanic and White non-Hispanic students (a decrease of 0.3 percentage point) in a 4-year degree program also showed only very minor impacts.

In both 2011 and 2012, Hispanic students graduated from degree programs within 150 percent of the normal time at less than 4-year programs at a higher rate than White students (35.2 compared to 30.2 percent in 2011; 36.4 to 30.2 percent in 2012).

The difference between the percentages of Black and White students at less-than 4-year degree programs increased by 1.3 percentage points. The Department is in the process of reassessing out-year targets for some measures in light of actual experience.

Data on these measures is taken from the “Digest of Education Statistics,” published annually by the National Center for Education Statistics. Fiscal year 2013 data will be available in 2015.

Program Improvement Efforts

The Department is exploring ways to gather detailed program and student outcome data for program-specific measures that will provide reliable indicators of program effectiveness.

Efficiency Measures

The Department is reassessing the efficiency measures for the individual student financial aid programs. The results of this reassessment will reflect proposed program changes and be incorporated into future budget requests.