

Department of Education
STUDENT FINANCIAL ASSISTANCE
Fiscal Year 2018 Budget Request

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¹ State tables reflecting final 2016 allocations and 2017 and 2018 estimates are posted on the Department's webpage at: <https://www2.ed.gov/about/overview/budget/statetables/index.html>

STUDENT FINANCIAL ASSISTANCE

For carrying out subpart 1 of part A, and part C of title IV of the HEA, \$22,932,626,000, which shall remain available through September 30, 2019:¹

The maximum Pell Grant for which a student shall be eligible during award year 2018-19² shall be \$4,860.

NOTE

A full-year 2017 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Furthering Continuing Appropriations Act, 2017 (P.L. 114-254). The amounts included for 2017 reflect the annualized level provided by the continuing resolution.

TITLE III GENERAL PROVISIONS

(RESCISSION)

SEC. 312. Of the unobligated balances available for carrying out subpart 1 of part A of title IV of the HEA, \$3,900,000,000 is hereby permanently canceled.³

NOTE

Each language provision that is followed by a footnote reference is explained in the Analysis of Language Provisions and Changes document which follows the appropriation language.

STUDENT FINANCIAL ASSISTANCE

Analysis of Language Provisions and Changes

Language Provision	Explanation
<u>¹For carrying out subpart 1 of part A of title IV of the HEA, \$22,932,626,000 which shall remain available through September 30, 2019.</u>	This language sets the availability of funds provided under the account through the end of fiscal year 2019.
<u>²The maximum Pell Grant for which a student shall be eligible during award year 2018-19 shall be \$4,860.</u>	This language sets the maximum Pell Grant award for award year 2018-19. Including mandatory funding provided in the Higher Education Act, the Pell Grant maximum award in award year 2018-19 will be \$5,920, the same as the previous award year.
Title III GENERAL PROVISIONS <u>³Of the unobligated balance available for carrying out subpart 1 of part A of title IV of the HEA, \$3,900,000,000 is hereby permanently canceled.</u>	This language proposes the cancellation of \$3,900,000,000 of unobligated funds from the Pell Grant program.

STUDENT FINANCIAL ASSISTANCE

Appropriation, Adjustments and Transfers
(dollars in thousands)

Appropriation/Adjustments/Transfers	2016	2017 Annualized CR	2018
Discretionary:			
Appropriation	\$24,198,210	\$24,152,209	\$22,932,626
Mandatory:			
Appropriation	<u>4,840,814</u>	<u>7,898,118</u>	<u>7,055,499</u>
Total, discretionary and mandatory appropriation	29,039,024	32,050,327	29,988,125

STUDENT FINANCIAL ASSISTANCE

Summary of Changes (dollars in thousands)

2017 Annualized CR	\$32,050,327
2018	<u>29,988,125</u>
Net change.....	-2,062,202

Increases:	<u>2017</u>	<u>Change</u>
<u>Program:</u>	<u>Annualized CR</u>	<u>from base</u>
Increase in mandatory funding provided to support Iraq and Afghanistan Service Grant program.	\$442	+\$57
Increase in indefinite mandatory funding to support costs associated with add-on to the maximum grant to support Year-Round Pell Grants.	0	+312,000
Subtotal, increases		+312,057

Decreases:	<u>2017</u>	<u>Change</u>
<u>Program:</u>	<u>Annualized CR</u>	<u>from base</u>
Decrease in discretionary funding to reflect the elimination of the Supplemental Education Opportunity Grant (SEOG) program.	731,736	-731,736
Decrease in discretionary funding to reflect changes to the Federal Work Study Program.	987,847	-487,847
Decrease in specified mandatory funding for use in the Pell Grant program due to amount provided in the HEA for FY 2018.	1,574,000	-192,000
Decrease in specified mandatory funding in the HEA to offset the increase in indefinite mandatory funding for the add-on to the maximum Pell Grant to support Year-Round Pell Grants.	1,574,000	-312,000
Decrease in indefinite mandatory funding required for the add-on to the maximum Pell Grant due to reduced funding needs.	6,323,676	-650,676
Subtotal, decreases		-2,374,259
Net change		-2,062,202

STUDENT FINANCIAL ASSISTANCE

Authorizing Legislation
(dollars in thousands)

Activity	2017 Authorized	2017 Annualized CR	2018 Authorized	2018 Request
Federal Pell grants (HEA-IV-A-1):				
Federal Pell grants (discretionary)	Indefinite	\$22,432,626	Indefinite	22,432,626
Federal Pell grants (mandatory).....	Indefinite	7,897,676	Indefinite	7,055,000
Federal supplemental educational opportunity grants (HEA-IV-A-3)	0 ¹	731,736	To be determined ¹	0
Federal Work-Study (HEA-IV-C)	0 ¹	987,847	To be determined ¹	500,000
Iraq and Afghanistan Service Grants (HEA-IV-A-10) .	Indefinite	442	Indefinite	499
Federal Perkins loans (HEA-IV-E).....	Indefinite	0	Indefinite	0
<u>Unfunded authorizations</u>				
Academic achievement incentive scholarships (HEA- IV-A, Chapter 3)	<u>Indefinite</u>	<u>0</u>	<u>Indefinite</u>	<u>0</u>
Total discretionary appropriation		24,152,209		22,932,626
Portion of the discretionary request subject to reauthorization.....		1,719,583		500,000
Total mandatory appropriation.....		7,898,118		7,055,499
Total appropriation		32,050,327		29,988,125

¹ The GEPA extension expired September 30, 2015; the program was authorized in 2017 through appropriations language. Reauthorizing legislation is sought for fiscal year 2018.

STUDENT FINANCIAL ASSISTANCE

Appropriations History (dollars in thousands)

Year	Budget Estimate to Congress	House Allowance	Senate Allowance	Appropriation
2009	19,921,551	19,201,136 ¹	18,761,809 ¹	19,156,973
2009 Mandatory	0	2,090,000 ²	2,090,000 ²	2,090,000 ²
Recovery Act Supplemental (P.L. 111-5)	0	17,600,000	13,930,000	17,314,000
2010	1,801,809 ³	19,634,905	19,296,809 ⁴	19,296,809
2011	1,737,957 ³	18,475,492 ⁵	24,899,957 ⁴	24,670,517
2012	30,338,016	22,367,521 ⁶	24,670,517 ⁶	24,535,281
2013	24,685,281	24,535,281 ⁷	24,535,281 ⁷	24,400,122
2014	24,685,281	N/A ⁸	24,536,210 ⁴	24,486,210
2015	24,486,210	N/A ⁸	24,233,210 ⁹	24,198,210
2016	24,198,210	23,828,210 ¹⁰	24,129,352 ¹⁰	24,198,210
2017	24,198,210	22,888,210 ¹¹	24,198,210 ¹¹	24,198,210 ¹¹
2018	22,932,626			

¹ The levels for the House and Senate allowance reflect action on the regular annual 2009 appropriations bill, which proceeded in the 110th Congress only through the House Subcommittee and the Senate Committee.

² Mandatory funding is provided for Pell Grants pursuant to the College Cost Reduction and Access Act of 2007 (P.L. 109-084).

³ Reflects Budget proposal to shift funding for Pell Grants and Perkins Loans to their own, separate accounts.

⁴ The level for the Senate allowance reflects Committee action only.

⁵ The level for the House allowance reflects the House-passed full-year continuing resolution.

⁶ The level for the House allowance reflects an introduced bill; the level for the Senate allowance reflects Senate Committee action only.

⁷ The level for the House and Senate allowances reflect action on the regular annual 2013 appropriations bill, which proceeded in the 112th Congress only through the House Subcommittee and the Senate Committee.

⁸ The House allowance is shown as N/A because there was no Subcommittee action.

⁹ The level for the Senate allowance reflects Senate Subcommittee action only.

¹⁰ The levels for House and Senate allowances reflect action on the regular annual 2016 appropriations bill, which proceeded in the 114th Congress only through the House Committee and Senate Committee.

¹¹ The levels for the House and Senate allowances reflect Committee action on the regular annual 2017 appropriations bill; the Appropriation reflects the Consolidated Appropriations Act, 2017.

STUDENT FINANCIAL ASSISTANCE

Significant Items in FY 2017 Appropriations Reports

Year-Round Pell Grants

Explanatory Statement:	The Department should implement this provision to maximize flexibility for institutions of higher education and avoid unnecessary administrative burdens while ensuring the best interests of students. The Department is directed to issue guidance on this expanded eligibility and flexibility in the Pell grant program not later than July 1, 2017. The Department is also directed to provide reliable data on the implementation of this provision.
Response:	The Department will issue guidance on the expanded eligibility and flexibility of year-round Pell grants no later than July 1, 2017. The Department will also provide the most reliable data related to the implementation of this provision when available.

[Click here for accessible version](#)

DEPARTMENT OF EDUCATION FISCAL YEAR 2018 PRESIDENT'S BUDGET □
(dollars in thousands)

Account, Program and Activity	Category Code	2016 Appropriation	2017 Annualized CR	2017 Appropriation	2018 President's Budget	2018 President's Budget Compared to 2017 Annualized CR Amount	2018 President's Budget Compared to 2017 Annualized CR Percent	2018 President's Budget Compared to 2017 Appropriation Amount	2018 President's Budget Compared to 2017 Appropriation Percent
Student Financial Assistance									
1. Federal Pell grants (HEA IV-A-1):									
(a) Discretionary Pell grants	D	22,475,352	22,432,626	22,475,352	22,432,626	0	0.00%	(42,726)	-0.19%
(b) Mandatory Pell grants	M	4,840,361	6,323,676	6,630,676	5,985,000	(338,676)	-5.36%	(645,676)	-9.74%
(c) Mandatory Funding for Discretionary Program Costs	M	0	1,574,000	1,320,000	1,070,000	(504,000)	-32.02%	(250,000)	-18.94%
Subtotal, Federal Pell grants		27,315,713	30,330,302	30,426,028	29,487,626	(842,676)	-2.78%	(938,402)	-3.08%
Discretionary	D	22,475,352	22,432,626	22,475,352	22,432,626	0	0.00%	(42,726)	-0.19%
Mandatory	M	4,840,361	7,897,676	7,950,676	7,055,000	(842,676)	-10.67%	(895,676)	-11.27%
Federal Pell Grants Program Information (memorandum entry):									
Discretionary appropriation	D	21,937,000	21,366,000	22,540,000	22,858,000	1,492,000	6.98%	318,000	1.41%
Mandatory appropriation	M	4,961,000	5,569,000	5,876,000	5,985,000	416,000	7.47%	109,000	1.86%
Total resources		26,898,000	26,935,000	28,416,000	28,843,000	1,908,000	7.08%	427,000	1.50%
Maximum award (in whole dollars)									
Base award		\$4,860	\$4,860	\$4,860	\$4,860	0	0.00%	0	0.00%
Mandatory add-on		\$955	\$1,060	\$1,060	\$1,060	0	0.00%	0	0.00%
Total maximum award		\$5,815	\$5,920	\$5,920	\$5,920	0	0.00%	0	0.00%
Recipients (in thousands)		7,213	7,143	7,143	7,281	138	1.93%	138	1.93%
2. Campus-based programs:									
(a) Federal supplemental educational opportunity grants (HEA IV-A-3)	D	733,130	731,736	733,130	0	(731,736)	-100.00%	(733,130)	-100.00%
(b) Federal work-study (HEA IV-C)	D	989,728	987,847	989,728	500,000	(487,847)	-49.38%	(489,728)	-49.48%
Subtotal, Campus-based programs		1,722,858	1,719,583	1,722,858	500,000	(1,219,583)	-70.92%	(1,222,858)	-70.98%
3. Iraq and Afghanistan service grants (P.L. 111-39)	M	453	442	442	499	57	12.90%	57	12.90%
Total		29,039,024	32,050,327	32,149,328	29,988,125	(2,062,202)	-6.43%	(2,161,203)	-6.72%
Discretionary	D	24,198,210	24,152,209	24,198,210	22,932,626	(1,219,583)	-5.05%	(1,265,584)	-5.23%
Mandatory	M	4,840,814	7,898,118	7,951,118	7,055,499	(842,619)	-10.67%	(895,619)	-11.26%

NOTES: D = discretionary program; M = mandatory program

Detail may not add to totals due to rounding.

For most programs, with the exception of Pell Grants, Credit Liquidating, and Credit Reestimates, the levels shown in the 2016 Appropriation column reflect the 6.8 percent reduction to mandatory funds that went into effect on October 1, 2015, and in the 2017 CR columns a 6.9 percent reduction that went into effect on October 1, 2016, pursuant to the Budget Control Act of 2011 (P.L. 112-25).

The President's Budget proposes to rescind \$3.9 billion from Pell carryover funds.

STUDENT FINANCIAL ASSISTANCE

Summary of Request

A full-year 2017 appropriation was not enacted at the time the FY2018 Budget was prepared; therefore, the Budget assumes the Department is operating under the Further Continuing Appropriations Act, 2017 (P.L. 114-254). The amounts included for 2017 reflect the annualized level provided by the continuing resolution. The Department of Education Appropriations Act, 2017, provided \$32.1 billion, an increase of \$3.1 billion, or 10.7 percent, more than the 2016 level for programs in this account.

The fiscal year (FY) 2018 Budget request will provide \$134.2 billion in new grants, loans, and work-study assistance to help students pay for postsecondary education and compete for new jobs in the expanding economy. Overall, funds requested for all programs in the Student Financial Assistance account would provide \$29 billion in aid¹ and 7.6 million student aid awards. The 2018 Budget takes steps to simplify funding for college and redirect aid to students with the most need, while continuing to help make college education affordable.

The total 2018 Budget proposed for the Student Financial Assistance (SFA) account is \$29.9 billion, approximately \$2.1 billion lower than the FY 2017 Annualized Continuing Resolution level (CR level). The Budget request includes a discretionary request of \$22.9 billion: \$22.4 billion for Pell grants and \$500 million for Federal Work-Study. Over \$7 billion in mandatory funds is provided in the 2018 Budget for the Pell Grant program.

The 2018 Budget protects Pell Grant funding in FY 2018 and ensures the program remains on a stable footing, while also proposing to rescind \$3.9 billion in unobligated discretionary funds from prior years. Under the 2018 Budget proposal, the Pell Grant maximum award in award year 2018-19 will be \$5,920, the same level as the previous award year. The Budget also supports Year-Round Pell Grants, which will provide a third semester of Pell Grant support to recipients who have exhausted their eligibility for the award year and wish to enroll in additional coursework. Rather than forcing students to adhere to a traditional college schedule, the Administration can help more low-income students complete their degree or certificate and enter the workforce more quickly.

The 2018 Budget would also reform campus-based programs by more efficiently targeting aid to students with the most need. The 2018 Budget proposes to reduce the funding of the Federal Work Study (FWS) program to \$500 million in FY 2018, a reduction of \$488 million, or 49% compared to the FY 2017 CR level. The Budget also proposes to reform the poorly-targeted FWS program by redirecting funds to undergraduate students with the highest need. The 2018 Budget would also save \$732 million in FY 2018 by eliminating the SEOG program, which currently allows institutions to provide grant aid to students that do not always have the greatest need for assistance and is duplicative of the better-targeted Pell Grant program.

The 2018 program specific funding information and policy proposals, as well as program performance information that applies to all student assistance programs, are discussed in the **Student Aid Overview**.

¹ Total aid available is based on new budget authority and any required matching funds, less allowable administrative costs.

STUDENT FINANCIAL ASSISTANCE

Federal Pell grants

(Higher Education Act of 1965, Title IV, Part A, Subpart 1)

(dollars in thousands)

FY 2018 Authorization: Indefinite

Budget authority¹

	<u>2017</u> <u>Annualized CR</u>	<u>2017</u> <u>Appropriation</u>	<u>2018</u>	<u>Change from</u> <u>Annualized CR</u>
Program funds:				
Discretionary appropriation	\$22,432,626	\$22,475,352	\$22,432,626	0
Mandatory appropriation	6,323,676	6,630,676	5,985,000	-\$338,676
Mandatory appropriation for discretionary program costs ²	<u>1,574,000</u>	<u>1,320,000</u>	<u>1,070,000</u>	<u>-504,000</u>
Subtotal, current year funding	30,330,302	30,426,028	29,487,626	-842,676
Pell Grant program costs	26,935,000	28,416,00	28,843,000	+1,908,000

¹ Table reflects discretionary budget appropriations and mandatory budget authority in support of program costs for each fiscal year.

² The Higher Education Act (HEA) provides \$1,382,000 thousand in mandatory funding to be used for discretionary program costs in FY2018. The budget proposes to use \$312,000 thousand of this funding to support increases to the mandatory add-on award associated with reinstating Year-Round Pell Grants included in the budget.

STUDENT FINANCIAL ASSISTANCE

Federal Pell Grants

PROGRAM DESCRIPTION

The Federal Pell Grant program helps ensure access to postsecondary education for low- and moderate-income undergraduate students by providing grants that help meet postsecondary education costs. The program also promotes lifelong learning by providing resources so that low- and moderate-income adults now in the workplace can return to school to upgrade their skills.

The Department provides funds to participating institutions to deliver aid to all students at the institution who are eligible for a Pell Grant. Unlike Campus-Based Programs (Supplemental Education Opportunity Grants, Work-Study, and Perkins Loans)—a student's eligibility is not dependent on the availability of funds awarded to the institution.

A Pell Grant is the foundation of a student's financial aid package, to which other forms of aid are added. The amount of a student's Pell Grant is dependent on the student's "expected family contribution" (EFC), cost of education, whether the student attends school full time or part time, and whether the students' program is a full academic year in length or less. Pell Grant disbursements are made to a student at least once every term during the award year or at the beginning and mid-point for programs without terms.

Budget authority in the Pell Grant program is available for 2 fiscal years; for example, funds become available for obligation on October 1 of the fiscal year in which they are appropriated and remain available through September 30 of the following fiscal year. Funds proposed for fiscal year 2018 would be used for grants in the 2018-19 award year, which runs from July 1, 2018, through June 30, 2019. If Pell Grant costs for a given academic year exceed the corresponding appropriation, the Department uses the next fiscal year's appropriation to cover the full cost.

Recent and projected funding: The Pell Grant program is the single largest source of grant aid for postsecondary education and helps ensure low-income students can afford higher education and successfully attain a postsecondary credential. In 2017, more than 7.1 million students will receive Pell Grants worth up to \$5,920. The program operates as an entitlement to eligible students once the maximum grant, award rules, and payment schedule are established. The Higher Education Act does not provide for the denial of an award to any student who meets the qualifying conditions, nor does it allow the Secretary to reduce any student's award level.

Mandatory funding: The College Cost Reduction and Access Act (CCRAA) authorized mandatory funding to support increases to the Pell maximum award set in each fiscal year's appropriations act. The Health Care and Education Reconciliation Act (HCERA) amended that provision and increased the maximum award by \$690 for award years 2010-2011 through 2012-2013, and by the Consumer Price Index (CPI) from 2013 to 2017. The maximum Pell Grant increased from the 2016-17 award year level of \$5,815 to \$5,920 for the 2017-18 award year as a result of the CPI provision.

STUDENT FINANCIAL ASSISTANCE

Federal Pell Grants

Pell Grant program scoring rule: The congressional budget resolution for fiscal year 2006 included a rule under which appropriations bills for the Pell Grant program are scored by the Congressional Budget Office for the estimated budget authority needed to fund the program for that year, or the requested budget authority, whichever is greater. If the appropriation exceeds the program cost as estimated at the beginning of the subsequent fiscal year, any surplus is available to reduce the appropriation needed to support that subsequent year's program costs. Conversely, if the appropriation is lower than the updated estimated program cost, the difference is automatically scored against the subsequent year's appropriation.

Given the nature of the program, it is reasonable to consider Pell Grants an individual entitlement for purposes of budget analysis and enforcement. Congress has chosen to continue treating the portion funded in annual appropriations acts as discretionary, continuing the scoring of budget authority for Pell Grants against the appropriations allocations established annually under section 302 of the Congressional Budget Act. Like the 2017 Budget, this Budget presents the portion of Pell Grants provided in the annual appropriations act as discretionary funding.

Need analysis formula: The need analysis formula for the Title IV need-based student aid programs, stipulated in the Higher Education Act, determines financial eligibility for Pell Grants and is applied uniformly to all applicants. This formula determines a student's EFC. The fundamental elements in the formula are the student's (and in the case of dependent students, their parents') income and assets (excluding the value of the family's home or farm), the family's household size, and the number of family members (excluding the student's parents) attending postsecondary institutions. The EFC is the sum of (1) a percentage of net income (remaining income after subtracting allowances for taxes and basic living expenses), and (2) a percentage of net assets (assets remaining after subtracting an asset protection allowance). Different assessment rates and allowances are used for dependent students, independent students, and independent students with dependents. For award year 2017-18, the income threshold at which a dependent student receives an automatic zero EFC determination is \$25,000.

Institutional participation: Approximately 5,000 postsecondary institutions currently participate in the Pell Grant program. Institutions that lose their eligibility to participate in the loan programs due to high default rates are also precluded from participation in the Pell Grant program. In addition, institutions that are subject to gainful employment regulations and that fail the regulations' measures will lose eligibility to participate if they do not improve.

Student participation: Students may use their grants at any participating postsecondary institution. Pell Grants are disbursed to the student through the institution. The Pell Grant program is the largest source of grant aid to students under the Higher Education Act, with approximately 41 percent of all undergraduates receiving a Pell Grant.

Recipients must be undergraduates and cannot have received a bachelor's degree previously (with the exception of certain teacher certificate programs), and must be enrolled with the purpose of obtaining a degree or certificate at an eligible institution.

STUDENT FINANCIAL ASSISTANCE

Federal Pell Grants

Students must also have a high school diploma (or its equivalent), or be homeschooled. Students who did not have a high school diploma or were not homeschooled and first enrolled in an eligible program prior to July 1, 2012, may receive a Pell Grant by meeting one of the ability-to-benefit (ABT) alternatives. These alternatives include: (1) passing an independently administered Department-approved ability-to-benefit test; (2) completing at least 6 credit hours or 225 clock hours that are applicable toward a degree or certificate offered by the institution; or (3) completing a State process approved by the Secretary of Education.

Students who did not have a high school diploma or were not homeschooled and first enrolled in an eligible program on or after July 1, 2012, can only become eligible through one of the ABT alternatives described above if they are enrolled in an eligible career pathway program as defined in section 484(d)(2) of the HEA.

Less than full-time students are eligible for pro rata awards based on their enrollment status. As of July 1, 2012, students are eligible for Pell Grants for a maximum of 12 semesters (or its equivalent) of full-time enrollment.

A student in default on a loan made under any Title IV HEA loan program, or who owes an overpayment on any other previously received Federal student aid, may not receive additional funds under the program unless he or she repays the debt in full, or makes satisfactory repayment arrangements with the holder of the debt.

Annual award amount: The annual award amount may vary from the statutory minimum payment up to the maximum authorized by statute for the academic year. The Higher Education Opportunity Act of 2008 (HEOA) enacted a minimum payment of 10 percent of the appropriated maximum award. For example, in award year (AY) 2016-17, the minimum is \$582. Students who do not qualify for at least 10 percent of the maximum grant do not receive a Pell award. Appropriations acts set annual maximum award levels. The 2017 Annualized CR level supports a maximum award of \$4,860 in award year 2017-18.¹ With the CPI provision established by the HCERA, the maximum award will increase to \$5,920 for award year 2017-18.

The aggregate Pell Grant award is the lesser of:

- The maximum award (as set in annual appropriations acts) plus the additional amount provided by mandatory funds, minus the EFC, or
- The student's cost of attendance minus the EFC.

¹ The Department of Education published Pell Grant payment schedules for award year 2017-18 on October 16, 2016 in support of the "Early FAFSA" initiative. The payment schedules were based, in part, on a \$4,860 base maximum award.

STUDENT FINANCIAL ASSISTANCE

Federal Pell Grants

Cost of attendance: For purposes of determining the Pell Grant award, the postsecondary institution establishes the cost of attendance, using the following cost items:

- Tuition and fees;
- An allowance for books, supplies, transportation, dependent care, and miscellaneous expenses, including a reasonable allowance for the documented rental or purchase of a personal computer;
- Living allowances of:
 - The actual amount charged by the institution for room and board for students living at school,
 - An amount determined by the institution for students without dependents living at home with parents, and
 - For all other students, an amount based on the expenses reasonably incurred for room and board.

The cost of attendance for less-than-half-time students includes: tuition and fees; an allowance for books, supplies and transportation; and dependent care.

Financial aid administrator discretion: The Higher Education Act stipulates financial aid administrators may, on the basis of adequate documentation and on a case-by-case basis, adjust a student's Pell Grant award by changing the cost of attendance or the value of data elements used to calculate the EFC to reflect "special circumstances," such as the following:

- Tuition expenses at an elementary or secondary school;
- Medical or dental expenses not covered by insurance;
- Unusually high child care costs;
- Recent unemployment of an independent student or a family member;
- Changes in a student's housing status resulting in homelessness;
- The number of parents enrolled at least half-time in a degree or certificate or other program leading to a recognized educational credential at an institution participating in any of the Title IV programs; or
- Other changes in a family's income, assets, or a student's status.

Institutional payments: The HEA provides for payment to institutions of \$5 per Pell Grant recipient to reimburse institutions for a share of the cost of administering the Pell Grant

STUDENT FINANCIAL ASSISTANCE

Federal Pell Grants

program. Funds for these payments are paid from the Pell Grant appropriation. In 2017-18, these payments will total \$35.7 million.

Because of the structure of the Pell Grant program, annual funding levels might not equal annual expenditures. Discretionary and mandatory funding levels for the past 5 fiscal years were:

Fiscal Year	(dollars in thousands)
2013.....	\$35,219,352 ¹
2014.....	28,201,821 ²
2015.....	27,628,285 ³
2016.....	27,315,713 ⁴
2017.....	30,426,028 ⁵

¹ Includes \$4,854 million in mandatory funds to increase maximum award by \$785 and \$7,587 million in additional mandatory funds provided in legislation to reduce discretionary need.

² Includes \$4,835 million in mandatory funds to increase maximum award by \$870 and \$588 million in additional mandatory funds provided in legislation to reduce discretionary need.

³ Includes \$5,153 million in mandatory funds to increase maximum award by \$915.

⁴ Includes \$4,840 million in mandatory funds to increase maximum award by \$965.

⁵ Includes \$6,631 million in mandatory funds to increase maximum award by \$1,060 and \$1,320 million in additional mandatory funds provided in legislation to reduce discretionary need.

FY 2018 BUDGET REQUEST

The 2018 Budget requests \$22.4 billion in discretionary funding for the Pell Grant program, the same level as the 2017 Annualized CR level. This discretionary request, plus over \$7 billion in mandatory funding, establishes the total FY 2018 Pell funding level at \$29.5 billion. The mandatory request supports an add-on award of \$1,060 to the base maximum award of \$4,860, resulting in a total maximum award of \$5,920 in award year 2018-19. The Department of Education Appropriations Act, 2017, provided a total of \$30.4 billion in combined discretionary and mandatory funding for this program.

The Budget also proposes to strengthen the Pell Grant program and provide more flexibility through Year-Round Pell Grants. This would allow students the opportunity to earn a third semester of Pell Grant support—up to an additional 50 percent of their regular Pell Grant award—during an award year in which they have exhausted their eligibility for the award year and wish to enroll in additional coursework. The policy would boost Pell Grant aid disbursed by \$1.5 billion in award year 2018-19 to approximately 900,000 recipients. Year-Round Pell would also help incentivize students to complete their degrees faster, which can help them reduce their loan debt and enter the workforce sooner.

The 2018 Budget includes a \$3.9 billion cancellation of unobligated balances in the Pell Grant program. Since 2011, enrollment and costs have continued to decline as the economy has

STUDENT FINANCIAL ASSISTANCE

Federal Pell Grants

improved, and funding provided previously has lasted longer than anticipated. With the cancellation of unobligated balances in 2018 and expanded benefits through Year-Round Pell, the program is still expected to have sufficient discretionary funds until 2025.

The 2018 Budget request for this program is best understood in the context of the Administration's proposals for the student aid programs as a whole. Accordingly, program specific funding information and policy proposals also are discussed in the **Student Aid Overview**.

PELL GRANT PROGRAM HISTORICAL DATA

Applicant and Recipient Growth:

The graphs on the following pages show the latest applicant, recipient, and aid available trends for the Pell Grant program. Applicants are estimated at 15.7 million for award year 2018-19; recipients at 7.3 million.

Many factors affect applicant growth, including demographic trends and changes in economic conditions, such as labor market demands. Factors affecting recipient growth include family incomes, need analysis, college costs, the level of the maximum Pell Grant award, and changes in applicant levels.

The following tables show program information consistent with actual, predicted, or requested funding levels.

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Federal Pell Grants Applicant Trends¹

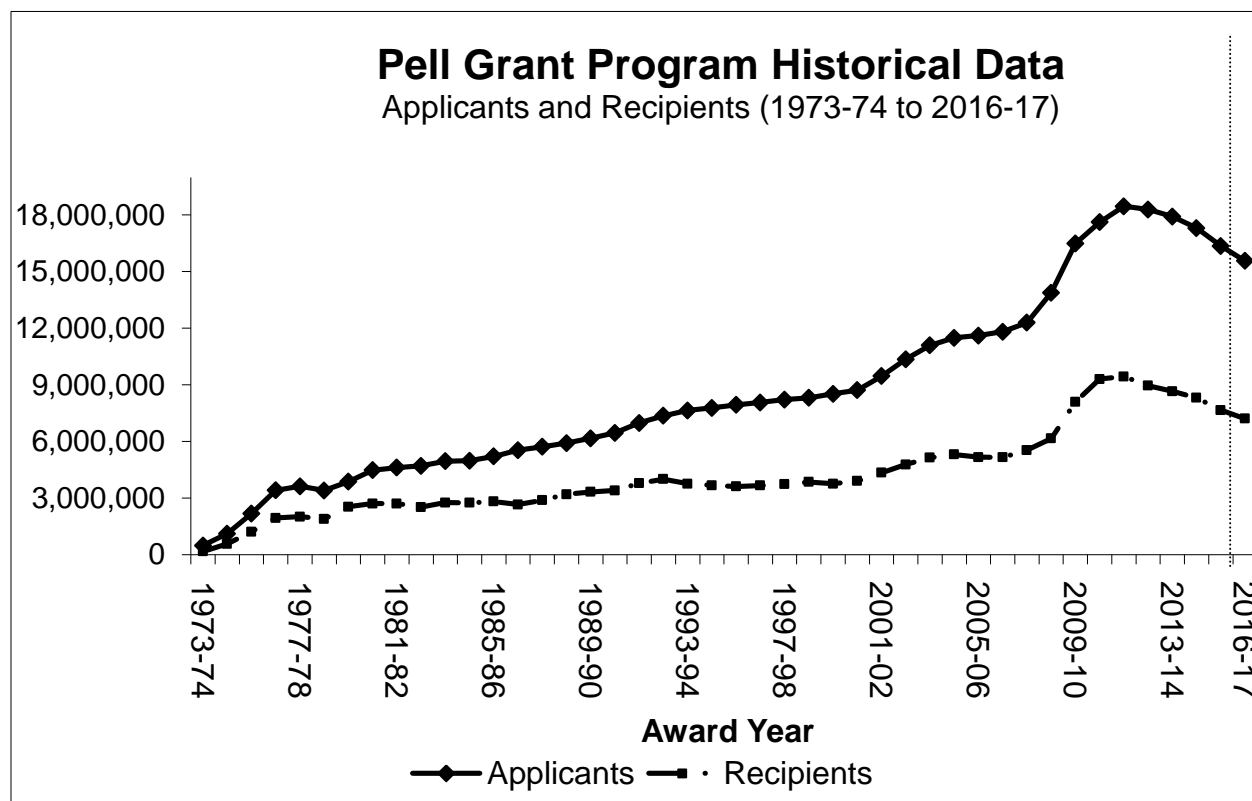
Award Year	Valid Applicants ²	Applicant Growth: Number	Applicant Growth: Percent Change
2003-04	11,093,506	738,981	7.14%
2004-05	11,539,497	445,991	4.02%
2005-06	11,611,388	71,891	0.62%
2006-07	11,811,911	200,523	1.73%
2007-08	12,299,232	487,321	4.13%
2008-09	13,883,288	1,584,056	12.88%
2009-10	16,482,495	2,599,207	18.72%
2010-11	17,625,778	1,143,283	6.94%
2011-12	18,458,701	832,923	4.73%
2012-13	18,294,947	-163,754	-0.89%
2013-14	17,915,446	-379,501	-2.07%
2014-15	17,312,207	-603,239	-3.37%
2015-16	16,362,617	-949,590	-5.49%
2016-17	15,573,889	-788,728	-4.82%
2017-18	15,392,623	-181,266	-1.16%
2018-19	15,739,437	346,814	2.25%

¹ Applicant data through AY 2015-16 are considered final and are taken from internal operational reports. Applicant data for award years 2016-17 through 2018-19 are estimates and are subject to change.

² A valid applicant is an undergraduate student who submits an application with sufficient data to calculate an EFC and determine Pell Grant eligibility.

STUDENT FINANCIAL ASSISTANCE

Federal Pell Grants



NOTE: Applicants reflect those applying for all Federal student financial assistance, including those receiving only non-need based student loans.

Number of Recipients:

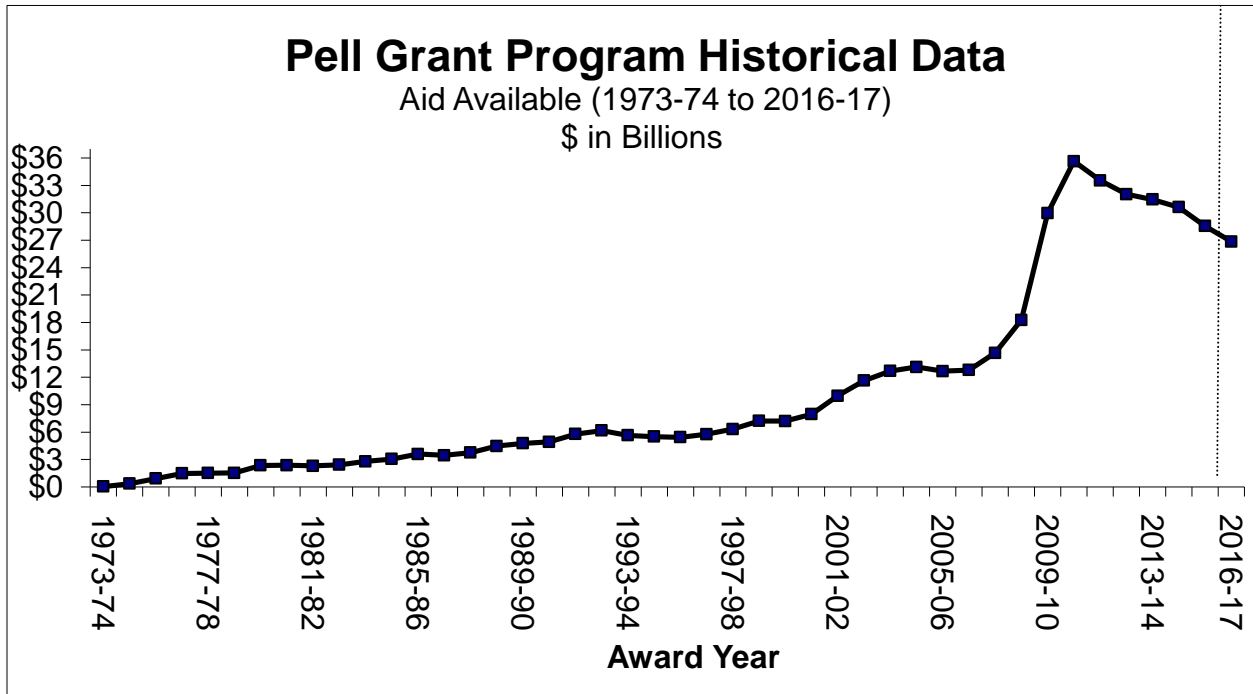
Under current estimates, the 2018 level would support Pell Grant awards to 7.3 million recipients.

Aid Available:

Under current estimates, the Department's fiscal year 2018 proposal would provide \$28.8 billion in Pell Grants to students.

STUDENT FINANCIAL ASSISTANCE

Federal Pell Grants



Maximum award:

The Department proposes to maintain the base maximum award at \$4,860 for award year 2018-19 through discretionary and mandatory funding. The cost of providing the mandatory add-on that increases the maximum award to \$5,920 in award year 2018-19 is funded by permanent mandatory indefinite funding as provided through HCERA.

Pell Maximum Award, Aid Available, and Recipients

Award Year	Maximum Award	Aid Available (dollars in millions)	Recipients
2013-14	\$5,645	\$31,466	8,659,348
2014-15	5,730	30,624	8,313,270
2015-16	5,775	28,566	7,657,000
2016-17	5,825	26,862	7,213,000
2017-18	5,920	26,899	7,143,000
2018-19	5,920	28,807	7,281,000

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Pell Maximum Award, Budget Authority, and Program Costs

FY	Maximum Award	Budget Authority (dollars in thousands)	Program Costs (dollars in thousands)
2009	5,350	35,661,000 ¹	29,992,000
2010	5,550	22,794,816 ²	35,699,000
2011	5,550	42,015,996 ³	33,594,000
2012	5,550	41,569,000 ⁴	32,087,000
2013	5,645	35,219,352 ⁵	31,509,000
2014	5,730	28,201,821 ⁶	30,666,000
2015	5,775	27,628,285 ⁷	28,594,000 ⁸
2016	5,825	27,315,713 ⁹	26,898,000 ⁸
2017	5,920	30,330,302 ¹⁰	26,935,000 ⁸
2018	5,920	29,487,626 ¹¹	28,843,000 ⁸

¹ Budget Authority for FY 2009 includes \$15,640 million in American Recovery and Reinvestment Act of 2009 funds, and \$2,733 million in mandatory funds for use as an add-on to the maximum award.

² Budget Authority for FY 2010 includes \$17,495 million in discretionary funds and \$5,300 in mandatory funds to increase the maximum award.

³ Budget Authority for FY 2011 includes \$23,162 million in discretionary funds, \$13,500 million in mandatory funds for discretionary program costs, and \$5,560 million in mandatory funds to increase the maximum award.

⁴ Budget Authority for FY 2012 includes \$22,824 million in discretionary funds, \$4,950 million in mandatory funding to increase the maximum award, and \$13,795 million in mandatory funds provided in the Budget Control Act of 2011 to reduce discretionary need.

⁵ Budget Authority for FY 2013 includes \$22,778 million in discretionary funds, \$4,854 million in mandatory funding to increase the maximum award, and \$7,587 million in mandatory funds for discretionary purposes.

⁶ Budget Authority requested for FY 2014 includes \$22,778 million in discretionary funds, \$4,835 million in mandatory funds to increase the maximum award, and \$588 million in mandatory funds for discretionary purposes.

⁷ Budget Authority for FY 2015 includes \$22,475 million in discretionary funds and \$5,153 million in mandatory funds to increase the maximum award.

⁸ Estimate.

⁹ Budget authority for FY 2016 includes \$22,475 million in discretionary funding and \$4,840 million in mandatory funding to increase the maximum award.

¹⁰ Budget authority for the FY 2017 CR level includes \$22,443 million in discretionary funding and \$6,324 million in mandatory funding to increase the maximum award, and \$1,574 million in mandatory funds for discretionary purposes.

¹¹ Budget authority requested for FY 2018 includes \$22,443 million in discretionary funding and \$5,985 million in mandatory funding to increase the maximum award, and \$1,070 million in mandatory funds for discretionary purposes.

STUDENT FINANCIAL ASSISTANCE

Federal Pell Grants

Distribution of Pell Grants by Student Status and Income Level:

The tables below illustrate the distribution of Pell Grant funds to dependent and independent students at various income levels. In 2015-2016, approximately 70 percent of all Pell Grant recipients (including independent students) had incomes less than or equal to \$30,000.

Distribution of Pell Grants to Dependent Undergraduates in 2015-16

Income Level	Recipients	Available Aid	Average Award
0 - \$6,000	501,865	\$2,229,349,926	\$4,442
\$6,001 - \$9,000	116,973	525,441,116	4,492
\$9,001 - \$20,000	771,304	3,501,645,944	4,540
\$20,001 - \$30,000	698,496	3,130,821,782	4,482
\$30,001 +	1,514,726	5,147,733,687	3,398
<i>Total Dependent</i>	3,603,364	14,534,992,455	4,034

STUDENT FINANCIAL ASSISTANCE

Federal Pell Grants

Independent students make up more than half of the students receiving assistance under the Pell Grant program. These recipients tend to be in the lowest income groups, as shown below.

Distribution of Pell Grants to Independent Undergraduates in 2015-16

Income Level	Recipients	Available Aid	Average Award
0 - \$ 1,000	671,336	\$2,527,801,688	\$3,765
\$1,001 - \$ 3,000	201,934	776,952,487	3,848
\$3,001 - \$ 6,000	295,657	1,131,023,182	3,825
\$6,001 - \$ 9,000	319,570	1,204,349,963	3,769
\$9,001 - \$15,000	706,382	2,533,477,828	3,587
\$15,001 - \$20,000	498,875	1,524,840,539	3,057
\$20,001 - \$30,000	587,807	1,872,063,283	3,185
\$30,001 +	772,075	2,450,213,575	3,174
Total Independent	4,053,636	14,020,722,545	3,459
All Undergraduates	7,657,000	28,555,715,000	3,729

Distribution of Pell Grants by Type of Institution:

The table below shows the distribution of Pell Grants to students attending different types of institutions. In 2015-2016, approximately 37 percent of the total aid available for Pell Grants went to students attending Public 4-Year schools, and approximately 31 percent went to students attending Public 2-Year schools.

Over the lifetime of the Pell Grant program, the share of Pell Grant aid to proprietary institutions has changed significantly. For example, in the 2009-2010 award year, approximately 25 percent of total Pell Grant aid went to students at proprietary institutions; in the 2014-2015 and 2015-16 award years those figures were 18 and 17 percent, respectively.

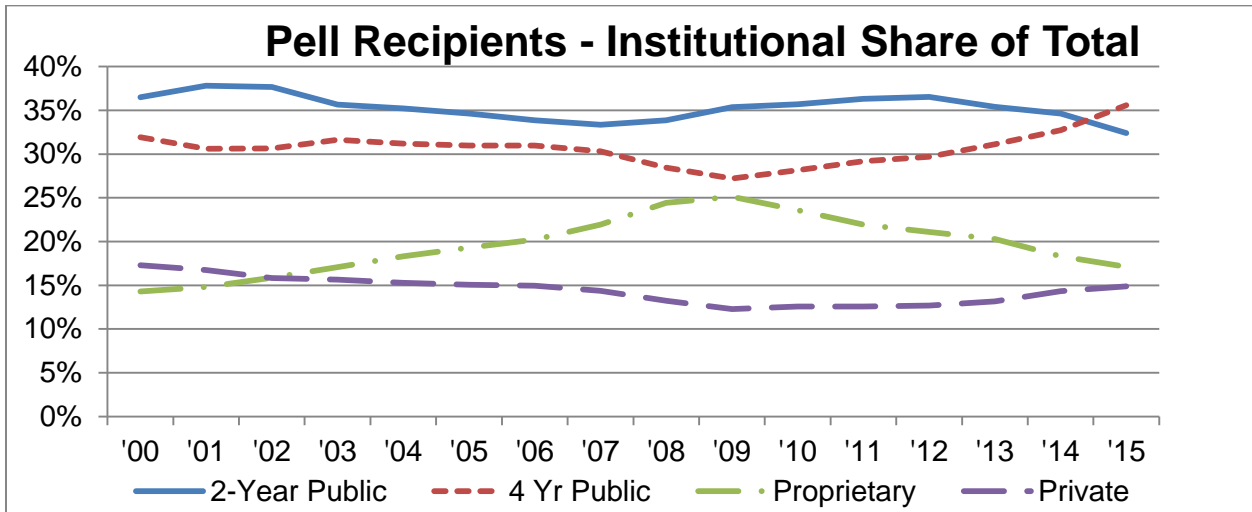
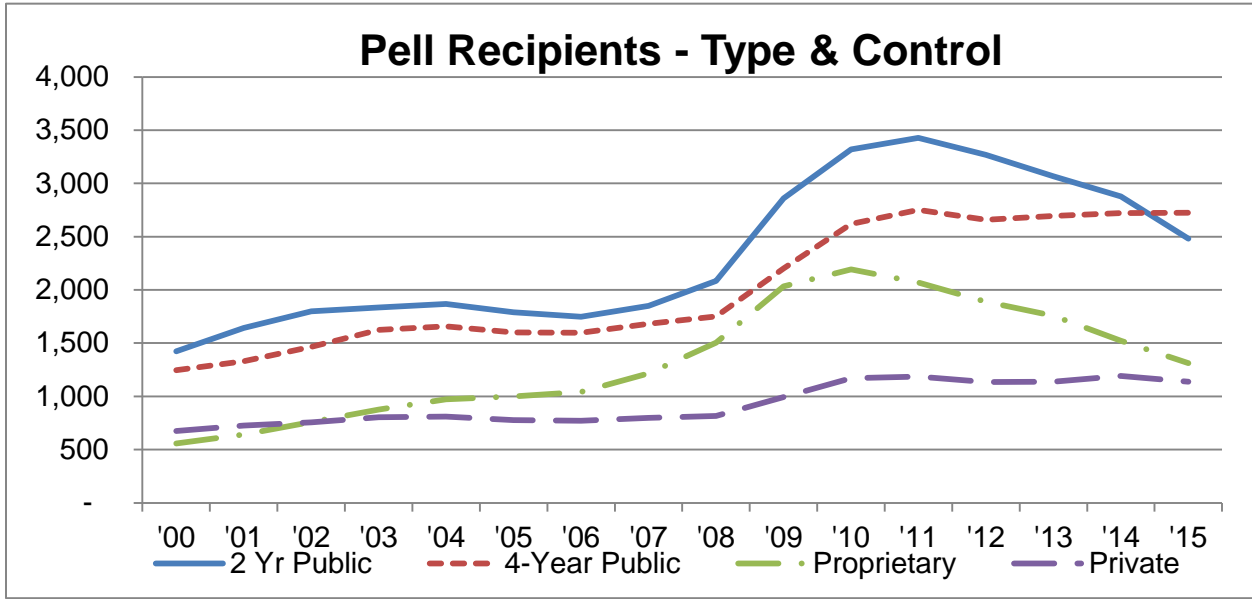
Distribution of Pell Grants by Type of Institution in 2015-16

Institution Type	Recipients	Available Aid	Average Award	Percent of Pell Aid
Public 4-Year	2,726,337	\$10,493,167,756	\$3,849	36.7%
Public 2-Year	2,482,269	8,737,740,746	3,520	30.6
Private	1,137,835	4,569,863,671	4,016	16.0
Proprietary	1,310,559	4,754,942,827	3,628	16.7
Total	7,657,000	28,555,715,000	3,729	100.0

STUDENT FINANCIAL ASSISTANCE

Federal Pell Grants

The following two charts show, for the award years 2000-2001 to 2015-2016, total Pell recipients (in thousands) by type and control of institution; and the institutional share (percentage) of total Pell recipients.



STUDENT FINANCIAL ASSISTANCE

Federal Pell Grants

PROGRAM OUTPUT MEASURES

(dollars in thousands)

<u>Output Measures</u>	<u>2016</u>	<u>2017</u> <u>Annualized CR</u>	<u>2018</u>
Recipients	7,213,000	7,143,000	7,281,000
Aid available to students ¹	\$26,861,935	\$26,899,285	\$28,806,595
Maximum grant (in whole dollars)	\$5,825	\$5,920	\$5,920
Minimum grant (in whole dollars) ²	\$582	\$592	\$592
Average grant (in whole dollars)	\$3,724	\$3,766	\$3,956

¹ Overall aid available reflects the estimated cost of the program minus administrative costs of \$5 per recipient.

² The minimum grant reflects the statutory minimum, but the actual minimum grant published by the Department may be slightly higher due to the calculation methodology used in the payment schedule.

PROGRAM PERFORMANCE INFORMATION

This section presents selected program performance information, including, for example, GPRA goals, objectives, indicators and performance data and targets; 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 2018 and future years, as well as the resources and efforts invested by those served by this program.

Because the Federal Pell Grant program account relies on the same performance measures, strategies, and program improvement activities that apply to all the student financial assistance grant programs, Pell program performance is discussed in the **Student Aid Overview** and is not repeated here.

STUDENT FINANCIAL ASSISTANCE

Federal supplemental educational opportunity grants (Higher Education Act of 1965, Title IV, Part A, Subpart 3)

(dollars in thousands)

FY 2018 Authorization: To be determined¹

Budget authority:

<u>2017</u> <u>Annualized CR</u>	<u>2017</u> <u>Appropriation</u>	<u>Change from</u> <u>2018 Annualized CR</u>	
\$731,736	\$733,130	<u>0</u>	0

¹ The GEPA extension applies through September 30, 2015; reauthorizing legislation is not sought in fiscal year 2018.

PROGRAM DESCRIPTION

The Federal Supplemental Educational Opportunity Grant (SEOG) program provides need-based grant aid to eligible undergraduate students to help reduce financial barriers to postsecondary education. Federal funding allocations are awarded to qualifying postsecondary institutions under a statutory formula. Unlike the Pell Grant program, the SEOG program is administered by institutional financial aid administrators who have substantial flexibility in determining student awards.

The funding provided for the SEOG program is available for 2 years. Funds become available for obligation on October 1 of the fiscal year in which they are appropriated and remain available through September 30 of the following fiscal year. Funds available for the current fiscal year 2017 will be used for the 2017-18 award year, which runs from July 1, 2017, through June 30, 2018.

Institutional participation: Roughly 3,700 postsecondary institutions receive funds under the SEOG program. Under the statutory formula, funds are distributed to institutions first on the basis of the institution's fiscal year 1999 SEOG program base guarantee and pro rata share (a hold harmless basis), and then on the basis of the aggregate need of the eligible undergraduate students in attendance. The current "hold harmless" provision distorts the allocation of funding among institutions so that certain institutions receive more funds than if the funds were solely distributed based on their students' financial need.

Institutional matching: Participating institutions are required by statute to contribute at least 25 percent of the SEOG award amounts. The institutional share can be met using the institution's own resources, State grants, or funds from foundations or other charitable organizations.

Student participation: Students qualify for grants of up to \$4,000 by demonstrating financial need under the needs analysis formula used for Federal student aid. Institutions must give first priority for awards to students with demonstrated "exceptional need" (students with the lowest Expected Family Contributions (EFCs) at the institution) who are also Pell Grant recipients.

STUDENT FINANCIAL ASSISTANCE

Federal supplemental educational opportunity grant

Remaining awards are then available for students with exceptional need who are not Pell Grant recipients. In addition, if any part of the institution's SEOG allocation determination to students is based, in part, on the financial need demonstrated by students who are independent or attending the institution less-than-full-time, then a reasonable portion of the allocation must be made available to such students.

Recipients must be undergraduates and cannot have received a bachelor's degree and must be enrolled with the purpose of obtaining a degree or certificate at an eligible institution. Approximately 9 percent of undergraduates receive SEOG awards.

Recipients must also have a high school diploma (or its equivalent), or be homeschooled. Students who did not have a high school diploma or were not homeschooled and first enrolled in an eligible program prior to July 1, 2012, may receive a SEOG funds by meeting one of the ability-to-benefit (ABT) alternatives. These alternatives include: (1) passing an independently administered Department-approved ability-to-benefit test; (2) completing at least 6 credit hours or 225 clock hours that are applicable toward a degree or certificate offered by the institution; or (3) completing a State process approved by the Secretary of Education.

Students who did not have a high school diploma or were not homeschooled and first enrolled in an eligible program on or after July 1, 2012, can only become eligible through one of the ABT alternatives described above if they are enrolled in an eligible career pathway program as defined in section 484(d)(2) of the HEA.

Students already in default on a Federal student loan or who owe an overpayment on any other previously received Federal student aid may not receive a SEOG unless they repay the debt in full, or makes satisfactory repayment arrangements.

Institutional administrative provisions:

- Administrative costs. Each institution's administrative cost allowance is based upon its expenditures for all three campus-based programs (SEOG, Work-Student, or Perkins Loan Program excluding the amount of Perkins loans assigned to the Department). An institution may use up to 5 percent of the first \$2.75 million of its program expenditures; plus up to 4 percent of expenditures greater than \$2.75 million but less than \$5.5 million; and up to 3 percent of expenditures greater than \$5.5 million during an award year to meet administrative costs associated with these programs.
- Transferability of funds. An institution may transfer up to 25 percent of Work-Study funds to SEOG. Up to 10 percent of an institution's SEOG funds may, at the discretion of the institution, be used for expenditures for the preceding fiscal year, and up to 10 percent of an institution's SEOG funds may remain available for the next fiscal year.
- Reallocation of funds. Excess funds available because of under-utilization by institutions are reallocated to other institutions in accordance with program regulations. An institution returning more than 10 percent of its allocation will have its subsequent allocation reduced by the same amount.

STUDENT FINANCIAL ASSISTANCE

Federal supplemental educational opportunity grants

Funding levels for the past 5 fiscal years were:

Fiscal Year	(dollars in thousands)
2013.....	\$696,175
2014.....	733,130
2015.....	733,130
2016.....	733,130
2017.....	733,130

FY 2018 BUDGET REQUEST

Currently, SEOG awards are not optimally allocated based on a student’s financial need, despite being a need-based program. Although the HEA requires that participating institutions give “priority” in awarding SEOG funds to Pell-eligible students, there is no requirement that the size of these awards be tied to the need of the student. As a result, institutions are given the discretion to provide larger SEOG awards to students that do not exhibit the highest need. As shown in the tables below, the average SEOG award increased as income levels increased. Furthermore, provisions in the SEOG funding allocation formula also distort the targeting of aid. For example, according to the distribution tables for Pell Grant aid presented earlier, about 67% of Pell recipients attend public 4-year or public 2-year institutions, while only 50% of SEOG funds go to these institutions. Moreover, the SEOG program is part of a complex and confusing array of federal aid programs that could benefit from better targeting of aid to needy students. In award year 2017-18, the Department of Education is expected to pay institutions over \$14.5 million dollars to administer the SEOG program—dollars that could be better targeted directly to needy students. The 2018 Budget Request proposes to eliminate the SEOG program beginning in award year 2018-19, which would result in a savings of nearly \$732 million compared to the 2017 Annualized CR level. The Department of Education Appropriations Act, 2017, provided \$733.1 million for this program.

The 2018 Budget Request for this program is best understood in the context of the Administration’s proposals for the student aid programs as a whole. Accordingly, student assistance policy proposals are discussed in greater detail in the **Student Aid Overview**.

PROGRAM OUTPUT MEASURES

(dollars in thousands)

<u>Output Measures</u>	<u>2016</u>	<u>2017 Annualized CR</u>	<u>2018</u>
Recipients	1,530,180	1,527,271	0
Aid available to students ¹	\$992,875	\$990,987	\$0
Average award (in whole dollars)	\$649	\$649	\$0

¹ Aid available includes budget authority, institutional matching funds, transfers from Perkins Loans and Federal Work-Study programs, minus administrative costs.

STUDENT FINANCIAL ASSISTANCE

Federal supplemental educational opportunity grants

PROGRAM PERFORMANCE INFORMATION

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 results is based on the cumulative effect of the resources provided in previous years and those requested in fiscal year 2017 and the future as well as the resources and efforts invested by institutions.

Because the programs in the Student Financial Assistance account rely on the same performance data, performance measures, strategies, and program improvement activities that apply to all of the programs, that information is discussed in the **Student Aid Overview** and is not repeated here.

Distribution of SEOG Funds by Student Status and Income Level:

The following tables (structured to compare across the programs in the SFA account) show the distribution of SEOG funds to dependent and independent students at various income levels in 2014-2015. These tables include the most recent distributional data available, which may not match directly with the data provided in the Program Output Measures section.

In 2014-2015, 70 percent of dependent SEOG recipients had family income levels under \$30,000 and 75 percent of independent SEOG recipients had family income levels under \$20,000.

Distribution of SEOG to Dependent Undergraduates in 2014-15

Income Level	Recipients	Available Aid	Average Award
0 - \$5,999	128,790	\$89,320,258	\$694
\$6,000 - \$11,999	76,442	54,771,018	717
\$12,000 - \$23,999	223,524	166,455,598	745
\$24,001 - \$29,999	85,811	68,050,597	793
\$30,000 +	223,195	186,024,945	833
Total Dependent	737,762	546,622,416	765

STUDENT FINANCIAL ASSISTANCE

Federal supplemental educational opportunity grants

Distribution of SEOG to Independent Undergraduates in 2014-15

Income Level	Recipients	Available Aid	Average Award
0 - \$ 1,999	231,664	\$115,419,652	\$498
\$2,000 - \$ 3,999	55,928	29,232,717	523
\$4,000 - \$ 7,999	112,500	56,789,546	505
\$8,000 - \$11,999	115,407	54,313,508	471
\$12,000 - \$15,999	78,798	34,481,299	438
\$16,000 - \$19,999	68,065	28,599,313	420
\$20,000 +	219,344	99,224,382	452
Total Independent	881,706	418,060,417	474
All Undergraduates	1,619,468	982,682,833	607

Distribution of SEOG Funds by Type of Institution:

The distribution of SEOG assistance to institutions is controlled by a statutory formula. The distribution of SEOG across different types of institutions has remained relatively constant over time due to this formula and the base guarantee. The distribution of aid by institution type has remained relatively constant over the last 5 years.

The following table shows the distribution of SEOG to students attending different types of institutions in 2014-2015. The majority of funding goes to students attending public institutions.

Distribution of SEOG by Type of Institution in 2014-15

Institution Type	Recipients	Available Aid	Average Award	Percent of SEOG Aid
Public 4-Year	463,007	\$325,409,968	\$703	33.1%
Public 2-Year	426,914	172,815,700	405	17.6
Private	359,161	348,212,236	970	35.4
Proprietary	370,386	136,244,929	368	13.9
Total	1,619,468	982,682,833	607	100.0

NOTE: Percentages may not total to 100 percent due to rounding.

STUDENT FINANCIAL ASSISTANCE

Federal work-study

(Higher Education Act of 1965, Title IV, Part C)

(dollars in thousands)

FY 2018 Authorization: To be determined¹

Budget authority:

<u>2017</u> <u>Annualized CR</u>	<u>2017</u> <u>Appropriation</u>	<u>2018</u>	<u>Change from</u> <u>Annualized CR</u>
\$987,847	\$989,728	\$500,000	-487,847

¹ The GEPA extension expires September 30, 2015; reauthorizing legislation is sought for FY 2018.

PROGRAM DESCRIPTION

The Federal Work-Study (FWS) program ensures access to postsecondary education and lifelong learning by assisting needy undergraduate and graduate students in financing postsecondary education costs through part-time employment. Federal funds are distributed to qualifying institutions whose financial aid administrators select qualified students with financial need for employment. Students may be employed by the institution; by a Federal, State, or local public agency or private nonprofit organization; or by a private for-profit organization.

The funding for the FWS program is available for 2 fiscal years. Funds become available for obligation on October 1 of the fiscal year in which they are appropriated and remain available through September 30 of the following fiscal year. Funds requested for fiscal year 2018 would be used for the 2018-19 award year, which runs from July 1, 2018 through June 30, 2019.

Institutional participation: Almost 3,300 institutions participate in the FWS program. Funds are distributed to institutions based on a statutory formula. The formula starts with the institution's fiscal year 1999 FWS program base guarantee and pro rata share, and bases the allocation on the aggregate need of the eligible undergraduate students in attendance. The FWS program is administered by institutional financial aid administrators who have substantial flexibility in determining student awards.

STUDENT FINANCIAL ASSISTANCE

Federal work study

If an institution is a proprietary school employing its own students, this employment must be: (1) on campus, except that at least 7 percent of the total funds granted must be used to compensate students employed in community service activities; (2) related, to the maximum extent practicable, to the student's educational objectives; and (3) related to providing student services. The employment tasks of FWS program students, however, must not involve the solicitation of potential students to enroll in the school.

Institutional matching: In general, participating institutions or other employers must contribute at least 25 percent of a student's part-time earnings (or 50 percent in the case of private-for-profit employers). The Federal share may be up to 90 percent for students employed at a private nonprofit organization or a Federal, State, or local public agency that would otherwise be unable to afford the costs of employing those students. The 90 percent Federal share is limited to no more than 10 percent of the students paid under the FWS program; in addition, the school may not own, operate, or control the organization, and the school must select the organization or agency on a case-by-case basis.

Student participation: Students qualify for FWS program awards by demonstrating financial need under the statutory need analysis system for the Federal student financial assistance programs. Hourly earnings must not be less than the current Federal minimum wage. Approximately 7 percent of undergraduates participate in the FWS program.

In addition, if the institution's allocation is based in part on the financial need demonstrated by independent students or students attending the institution less-than-full-time, then a reasonable portion of the allocation must be made available to such students.

Recipients must be enrolled with the purpose of obtaining a degree or certificate at an eligible institution. Students must also have a high school diploma (or its equivalent), or be homeschooled. Students who did not have a high school diploma or were not homeschooled and first enrolled in an eligible program prior to July 1, 2012, may receive FWS program funds by meeting one of the ability-to-benefit (ABT) alternatives. These alternatives include: (1) passing an independently administered Department-approved ability-to-benefit test; (2) completing at least 6 credit hours or 225 clock hours that are applicable toward a degree or certificate offered by the institution; or (3) completing a State process approved by the Secretary of Education.

Students who did not have a high school diploma or were not homeschooled and first enrolled in an eligible program on or after July 1, 2012, can only become eligible through one of the ABT alternatives described above if they are enrolled in an eligible career pathway program as defined in section 484(d)(2) of the HEA.

Students who have defaulted on a Federal student loan or who owe an overpayment on any other previously received Federal student aid, however, may not receive additional funds under the program unless they repay the debt in full, or make satisfactory repayment arrangements with the holder of the debt.

Institutional administrative provisions: Institutions may use their allocations to support a variety of Work-Study activities, including:

STUDENT FINANCIAL ASSISTANCE

Federal work study

- Community service. An institution must use at least 7 percent of its Federal allocation for payments to students employed in community service activities. Other Work-Study jobs that qualify as community service activities include community-accessible childcare and assistance for disabled students. The HEOA expanded the definition of community service to include emergency preparedness and response. The eligible institution, at its discretion, may count any contribution made by the employer toward the non-Federal share of the student's compensation.
- Tutoring and literacy activities. An institution must include at least one tutoring or family literacy project as part of its community service activities. Under this requirement, priority is to be given to the employment of Work-Study recipients as reading tutors in schools that are participating in a reading reform project designed to train teachers to teach reading on the basis of scientifically based research on reading, and which is funded under the Elementary and Secondary Education Act of 1965, as amended. In 2010-11, the last year data was collected, almost 39,000 Work-Study students were employed as reading tutors.
- Private sector. An institution may use up to 25 percent of its Work-Study allocation to match earnings of students working for private for-profit organizations. Students must, to the maximum extent practicable, be placed in jobs that are academically relevant to their course of study. FWS program funds may not be used to pay any employee who would otherwise be employed by the private organization.
- Job Location and Development. An institution may use up to 10 percent of its FWS program allocation, or a maximum of \$50,000, whichever is less, for administrative expenses associated with the establishment or expansion of a Job Location and Development (JLD) program. This program locates and develops off-campus full- or part-time jobs or community service jobs for currently enrolled students. The Federal share of the JLD program costs cannot exceed 80 percent.
- Work Colleges. A "Work College" is an institution that requires all resident students to participate in a work-learning program as an integral part of the institution's educational philosophy. These colleges are authorized to receive special awards in addition to their regular FWS program allocations to support such programs. Work Colleges must match Federal allocations on a dollar-for-dollar basis. In addition, Work Colleges may transfer all of their regular FWS program allotments for use under the Work Colleges program.
- Administrative costs. Each institution's administrative cost allowance is based upon its expenditures for all three campus-based programs, excluding the amount of Perkins loans assigned to the Department. Under a statutory formula, an institution may use up to 5 percent of the first \$2.75 million of its program expenditures; plus up to 4 percent of expenditures greater than \$2.75 million but less than \$5.5 million; and up to 3 percent of expenditures greater than \$5.5 million during an award year to meet administrative costs associated with these programs.
- Transferability of funds. An institution may transfer up to 25 percent of its allocation from Perkins Loans Federal Capital Contributions to SEOG or FWS (or both) and up to 25 percent of FWS to SEOG. Up to 10 percent of an institution's FWS program funds may, at

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Federal work study

the discretion of the institution, be used for expenditures for the preceding fiscal year. In addition, up to 10 percent of an institution's FWS program funds may, at the discretion of the institution, remain available for the next fiscal year.

- Reallocation. If funds become available because of under-utilization by institutions, excess funds are reallocated only to other institutions that used at least 5 percent of their FWS program allocations to compensate students employed in tutoring in reading and family literacy activities in the preceding year. Reallocated funds must be used to support student employment in community service activities.
- Disasters. The Higher Education Opportunity Act added a provision under which an eligible institution located in an area affected by a major disaster, as determined by the Secretary, may make FWS payments to disaster-affected students, for the period of time (not to exceed 1 academic year) in which the students were prevented from fulfilling their FWS obligations due to the disaster. Payment may be made in an amount equal to or less than the amount a student would have been paid had the student been able to complete the work obligation necessary to receive Work-Study funds.

Funding levels for the past 5 fiscal years were:

Fiscal Year	(dollars in thousands)
2013.....	\$925,595
2014.....	974,728
2015.....	989,728
2016.....	989,728
2017.....	989,728

FY 2018 BUDGET REQUEST

The 2018 Budget proposes to significantly reduce federal funds for the FWS program beginning in award year 2018-19 while also improving the targeting of aid by limiting eligibility to undergraduate students who can most benefit. The 2018 Budget would ensure that institutions prioritize eligible Pell Grant recipients when allocating FWS program funds. As shown in the tables below, among dependent students, those with family incomes at or above \$30,000 received 66% of FWS funds compared to 33% of FWS funds going to students with family incomes below \$30,000. Independent students, who typically have lower family incomes, received nearly half of all Pell Grant aid, but only received 14% of FWS funds.

The 2018 Budget requests \$500 million for the FWS program, a reduction of \$487.8 million compared to the fiscal year 2017 amount. The request will generate nearly \$553.7 million in available aid to support more than 332,000 part-time jobs for students, helping to meet the educational costs of undergraduate students and to expand their future employment prospects. The Department of Education Appropriations Act, 2017, provided \$989.7 million for this program.

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The 2018 Request for this program is best understood in the context of the Administration's proposals for the student aid programs as a whole. Accordingly, policy proposals are discussed in greater detail in the **Student Aid Overview**.

PROGRAM OUTPUT MEASURES

(dollars in thousands)

<u>Output Measures</u>	<u>2016</u>	<u>2017</u> <u>Annualized CR</u>	<u>2018</u>
Recipients	634,931	633,724	332,624
Aid available to students ¹	\$1,096,080	\$1,093,997	\$553,728
Average award (in whole dollars)	\$1,726	\$1,726	\$1,665

¹ Aid available includes budget authority, institutional matching funds, transfers from Perkins Loans and Federal Work-Study programs, minus administrative costs.

PROGRAM PERFORMANCE INFORMATION

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 results is based on the cumulative effect of the resources provided in previous years and those requested in 2018 and future years, as well as the resources and efforts invested by those served by this program.

Because the programs in the Student Financial Assistance account rely on the same performance data, performance measures, strategies, and program improvement activities that apply to all of the programs, that information is discussed in the **Student Aid Overview** and is not repeated here.

Distribution of Work-Study Funds by Student Status and Income Level:

The following tables (structured to provide a common basis of comparison among the programs in the SFA account) illustrate the distribution of Work-Study funds to dependent students and the distribution to independent students at various income levels for 2014-2015. These tables include the most recent distributional data available, which may not correspond directly with the data provided in the Program Output Measures section.

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Distribution of Work-Study to Dependent Undergraduates in 2014-15

Income Level	Recipients	Available Aid	Average Award
0 - \$5,999	37,386	\$61,757,982	\$1,652
\$6,000 - \$11,999	23,050	38,945,348	1,690
\$12,000 - \$23,999	69,529	118,271,214	1,701
\$24,001 - \$29,999	32,990	54,833,625	1,662
\$30,000 +	338,432	506,991,456	1,498
Total Dependent	501,387	780,799,625	1,557

Distribution of Work-Study to Independent Undergraduates and Graduates in 2014-15

Income Level	Recipients	Available Aid	Average Award
0 - \$ 1,999	31,017	\$59,614,034	\$1,922
\$2,000 - \$ 3,999	10,355	19,934,895	1,925
\$4,000 - \$ 7,999	17,861	36,965,282	2,070
\$8,000 - \$11,999	13,680	28,440,149	2,079
\$12,000 - \$15,999	8,967	18,122,126	2,021
\$16,000 - \$19,999	5,835	11,600,827	1,988
\$20,000 +	17,239	32,971,147	1,913
Total Independent	104,954	207,648,460	1,978
Graduate Students	45,068	111,617,497	2,477
All Students	651,409	1,100,065,582	1,689

Distribution of Work-Study Funds by Type of Institution:

The Work-Study program is a campus-based program and the distribution of funds to institutions is controlled by a statutory formula. As a result, the distribution of Work-Study assistance across different types of institutions has remained relatively constant over time. The table below shows the distribution of Work-Study to students attending different types of institutions in 2014-2015.

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Distribution of Work-Study (WS) by Type of Institution in 2014-15

Institution Type	Recipients	Available Aid	Average Award	Percent of WS Aid
Public 4-Year	218,607	\$399,294,334	\$1,827	36.3%
Public 2-Year	72,644	146,750,183	2,020	13.3
Private	337,515	501,631,435	1,486	45.6
Proprietary	22,643	52,389,630	2,314	4.8
Total	651,409	1,100,065,582	1,689	100.0

NOTE: Percentages may not total to 100 percent due to rounding.

Community Service Activities:

The Work-Study program has a long tradition of providing opportunities for students to perform community service activities—supporting an important cooperative link between students, colleges and the local community. At least 7 percent of an institution's Work-Study allotment must be used to pay students employed in community service jobs, unless the institution obtains a waiver from the Department. Nationally, 14 percent of Work-Study funds are used for jobs in community service.

Participating colleges and universities must ensure that at least one eligible project provides services to both children and their parents. Allowable activities, such as family literacy programs, emphasize preparing parents to read to their own children.

The Department has waived the usual 25 percent institutional contribution, allowing Work-Study funds to pay up to 100 percent of the wages to support students who tutor children in mathematics, or reading, or who serve in family literacy programs.

Distribution of Work-Study Funds to Students in Community Service Activities:

The table below shows the distribution of Work-Study assistance to students employed in community service activities in 2014-2015.

Distribution of Work-Study to Students in Community Service Activities by Type of Institution in 2014-15

Institution Type	Recipients	Available Aid	Average Award	Percent of WS Aid
Public 4-Year	40,723	\$61,781,911	\$1,517	39.9%
Public 2-Year	13,326	25,114,343	1,885	16.2
Private	54,664	61,608,761	1,127	39.8
Proprietary	3,591	6,464,163	1,800	4.2
Total	112,304	154,969,178	1,380	100.0

NOTE: Percentages may not total to 100 percent due to rounding.

STUDENT FINANCIAL ASSISTANCE

Federal Perkins loans

(Higher Education Act of 1965, Title IV, Part E)

(dollars in thousands)

FY 2018 Authorization: (Expires 9/30/2017)

PROGRAM DESCRIPTION

The Federal Perkins Loan program provides long-term, low-interest loans to financially needy undergraduate and graduate students to help meet their higher education costs. Loans are made from Federal revolving funds held at institutions composed of: (1) Federal capital contributions (FCC); (2) institutional matching funds equaling at least one-third of the FCC; (3) payments on prior-year student loans; and (4) reimbursements for loans cancelled in exchange for specific types of teaching, or military or public service. However, no Federal Capital Contributions have been made since 2004.

The Perkins Loan program was reauthorized through September 30, 2017, by the Federal Perkins Loan Program Extension Act of 2015 (the Extension Act). Under the Extension Act, schools may disburse new Perkins Loans to eligible undergraduate borrowers through September 2017, and to graduate students with existing Perkins Loans through September 2016. Additionally, undergraduate borrowers are required to exhaust eligibility for both subsidized and unsubsidized Federal direct loans before receiving a Perkins Loan. The Extension Act also eliminated the grandfathering provision in Section 461(b)(2) of the Higher Education Act (HEA) that had allowed schools to make Perkins Loans to borrowers who received a disbursement before June 30, 2015, for up to 5 additional years. In FY 2018, Federal funds in institutional revolving funds will be recalled to the Federal Government. Institutional participation: Roughly 1,400 postsecondary institutions make loans under the Perkins Loan program. The Perkins Loan program is administered by institutional financial aid administrators who have substantial flexibility in determining student awards.

Institutional matching: Institutions contribute one-third of the FCC in matching funds.

Default rate provisions: In general, a school's participation in the program is terminated if its 3-year cohort default rate exceeds 50 percent for 3 consecutive years.

Institutional administrative provisions:

- Loan Servicing and collections. Schools are responsible for making loans, servicing, and collections, including the establishment of repayment schedules and borrower counseling. Most servicing and collection activities are performed by private contractors employed by the schools. Collections on existing loans were approximately \$1.3 billion in award year 2014-15.
- Loan Rehabilitation. Participating institutions are required to establish a loan rehabilitation program for all defaulted borrowers. Loan rehabilitation allows the institution to eliminate the loan from default rate calculations. In order to rehabilitate a defaulted loan, borrowers are required to make nine consecutive on-time monthly payments to the institution. The first

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Federal Perkins loans

payment of the dictated 9-month cycle is considered the first payment of a new 10-year payment cycle. Once the loan is rehabilitated, the institution must update the borrower's loan status with any credit reporting agency to which the default was reported. A loan can only be rehabilitated once.

- Administrative costs. Each institution's administrative cost allowance is based upon its expenditures for all three campus-based programs, excluding the amount of Perkins loans assigned to the Department. Under a statutory formula, an institution may use up to 5 percent of the first \$2.75 million of its program expenditures; plus up to 4 percent of expenditures greater than \$2.75 million but less than \$5.5 million; and up to 3 percent of expenditures greater than \$5.5 million during an award year to meet administrative costs associated with the SEOG, Work-Study, and Perkins Loan programs.

Student participation: Students qualify for loans by demonstrating financial need under the statutory Federal student aid need analysis system. An eligible borrower is an undergraduate, graduate, or professional student with demonstrated financial need enrolled at an eligible postsecondary institution. In addition, if the institution's Perkins loan allocation was based, in part, on the financial need demonstrated by students who are independent students or attending the institution less-than-full-time, then a reasonable portion of the allocation must be made available to such students. However, a student already in default on a loan made under any Title IV, HEA loan program, or who owes an overpayment on any other previously received Federal student aid, may not borrow under the program unless he or she repays the debt in full, or makes satisfactory repayment arrangements with the holder of the debt. Undergraduate borrowers are required to exhaust eligibility for both subsidized and unsubsidized Federal direct loans before receiving a Perkins Loan.

A borrower makes no principal repayments during in-school, grace, and deferment periods, and interest is neither paid nor accrued during these periods. During the repayment period (which normally may not exceed 10 years), interest is charged at a 5 percent annual rate. Maximum loan amounts were increased by the Higher Education Opportunity Act (HEOA). The maximum annual amount a student can borrow under the Perkins Loan program is \$5,500 for undergraduates and \$8,000 for graduate and professional students; \$60,000 for the combination of undergraduate and graduate study; \$27,500 for students who have completed 2 years of undergraduate education, but have not received a bachelor's degree; and \$11,000 for all other students.

Loan cancellations: In order to reduce the loan burden on Perkins loan borrowers who enter certain fields of public service, all or a portion of the repayment obligation on Perkins loans is canceled in exchange for specified periods of such service. Perkins loan balances are also canceled in the event of a borrower's death, or total and permanent disability.

In general, the schools' share of their revolving funds are reimbursed for 100 percent of the principal and accrued interest of the loan canceled, reducing the amount the Federal Government will collect when the Federal share is repaid after the end of the program.

The areas of public service that qualify for cancellation include:

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Federal Perkins loans

- Teaching in low-income areas and in special education, math, science, foreign language, bilingual education, and any other fields where State education agencies determine a shortage of qualified teachers exists, or serve full-time on the faculty at a tribal college or university.
- Full-time staff work in a preschool program under the Head Start Act.
- Military service in areas of hostilities and imminent danger.
- Peace Corps and VISTA service.
- Service as a law enforcement/corrections officer, firefighter, or public defender.
- Nurses and medical technicians providing health care services, professional providers of qualified early intervention services, and employees of qualified child/family service in low-income communities.

The program has received no new appropriated funding since 2004.

FY 2018 BUDGET PROPOSAL

The proposal for FY2018 assumes schools will continue to disburse new Perkins Loans to eligible undergraduate borrowers through September 2017, but the program will no longer be authorized beginning in FY2018 and no new loans will be disbursed. The Department of Education Appropriations Act, 2017, did not provide any funds for this program.

PROGRAM OUTPUT MEASURES

(dollars in thousands)

<u>Output Measures</u>	<u>2016</u>	2017 <u>Annualized CR</u>	<u>2018</u>
Federal Perkins Loans			
Loan Recipients	315,527	253,466	0
Loan volume ¹ (dollars in thousands)	\$782,230	\$782,230	\$0
Average loan (in whole dollars)	\$2,479	\$3,086	\$0
Participating Institutions	1,500	1,500	0

NOTE: Each participating institution uses its revolving fund to continue originating new loans.

¹ Loan volume includes budget authority and institutional matching funds minus administrative costs.

PROGRAM PERFORMANCE INFORMATION

This section presents selected program performance information, including, for example, GPRA goals, objectives, measures, and performance targets and data; and an assessment of the

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Federal Perkins loans

progress made toward achieving program results. Achievement of results is based on the cumulative effect of the resources provided in previous years and those requested in 2018 and future years, as well as the resources and efforts invested by those served by this program.

Because the programs in the Student Financial Assistance account rely on the same performance data, performance measures, strategies, and program improvement activities that apply to all of the programs, that information is discussed in the **Student Aid Overview** and is not repeated here.

Distribution of Perkins Loans by Student Status and Income Levels:

The tables below (structured to provide a common basis of comparison among the programs in the SFA account) show the distribution of Perkins loans to dependent students and the distribution of Perkins loans to independent students – both undergraduate and graduate – at various income levels in 2014-2015. These tables include the most recent distributional data available, which may not correspond directly with the data provided in the Program Output Measures section.

Distribution of Perkins to Dependent Undergraduates in 2014-15

Income Level	Recipients	Available Aid	Average Award
0 - \$5,999	23,782	\$47,334,819	\$1,990
\$6,000 - \$11,999	16,042	31,812,175	1,983
\$12,000 - \$23,999	49,071	96,992,334	1,977
\$24,001 - \$29,999	24,638	48,549,042	1,970
\$30,000 +	237,183	477,494,686	2,013
Total Dependent	350,716	702,183,056	2,002

Distribution of Perkins to Independent Undergraduates and Graduates in 2014-15

Income Level	Recipients	Available Aid	Average Award
0 - \$ 1,999	23,731	\$45,247,937	\$1,907
\$2,000 - \$ 3,999	7,196	14,078,746	1,956
\$4,000 - \$ 7,999	13,839	26,793,511	1,936
\$8,000 - \$11,999	12,556	23,530,103	1,874
\$12,000 - \$15,999	9,763	17,848,861	1,828
\$16,000 - \$19,999	7,653	13,798,812	1,803
\$20,000 +	29,117	53,579,111	1,840
Total Independent	103,855	194,877,081	1,876
Graduate Students	73,437	263,292,125	3,585
All Students	528,008	1,160,352,262	2,198

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Federal Perkins loans

Distribution of Perkins Loans by Type of Institution:

The Perkins Loan program is a campus-based program and distribution of new capital funds to institutions is controlled by a statutory formula. The table below illustrates the sector distribution of Perkins loans to students in 2014-2015:

Distribution of Perkins by Type of Institution in 2014-15

Institution Type	Recipients	Loan Volume	Average Award	Percent of Perkins Aid
Public 4-Year	264,814	\$534,303,298	\$2,018	46.0%
Public 2-Year	3,119	5,567,004	1,785	0.5
Private	236,251	592,980,434	2,510	51.1
Proprietary	23,824	27,501,526	1,154	2.4
Total	528,008	1,160,352,262	2,198	100.0

NOTE: Percentages may not total to 100 percent due to rounding.

STUDENT FINANCIAL ASSISTANCE

Iraq and Afghanistan service grants

(Higher Education Act of 1965, Title IV, Part A, Subpart 10)

(dollars in thousands)

FY 2018 Authorization: Indefinite

Mandatory Budget Authority:

<u>2017</u> <u>Annualized CR</u>	<u>2017</u> <u>Appropriation</u>	<u>2018</u>	<u>Change</u>
\$442	\$442	\$499	+\$57

PROGRAM DESCRIPTION

The Iraq and Afghanistan Service Grants (IASG) program provides non-need-based grants to students whose parent or guardian was a member of the Armed Forces who died in Iraq or Afghanistan as a result of performing military service after September 11, 2001. Students are not required to be eligible for a Pell Grant in order to receive a Service Grant; however, the student must be 24 years old or younger; or, if older than 24, must have been enrolled in an institution of higher education at the time of the parent or guardian's death.

Service Grants are equal to the maximum Pell Grant for a given award year, which is \$5,920 in the 2017-18 award year. However, due to sequestration, award amounts for any IASG that is first disbursed on or after Oct. 1, 2015, and before Oct. 1, 2016, are reduced by 6.8 percent from the award amount for which a recipient would otherwise have been entitled. Any award amounts for any IASG first disbursed on or after Oct. 1, 2016, and before Oct. 1, 2017, are reduced by 6.9 percent. Award amounts are not expected to be affected by sequestration in FY 2018. Service Grants are excluded from the total "estimated financial assistance" used to determine a student's eligibility for other Title IV Federal financial aid. In combination with other student aid, however, the Service Grant may not result in a student's awards exceeding their cost of attendance. As with Pell Grant eligibility, students are limited to 12 semesters of full-time enrollment.

Funding levels for the past 5 fiscal years were:

Fiscal Year	(dollars in thousands)
2013.....	\$246
2014.....	294
2015.....	370
2016.....	384
2017.....	442

FY 2018 BUDGET PROPOSAL

The 2018 Budget includes mandatory funding for the Iraq and Afghanistan Service Grant program in the amount of \$499 million, an increase of \$57 million from the 2017 Annualized CR level. The Department of Education Appropriations Act, 2017, provided \$442 million for this

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Iraq and Afghanistan service grants

program. The first IASG recipient awards were given in award year 2010-2011 to fewer than 1,000 recipients. The recipient level is expected to remain at fewer than 1,000 recipients through award year 2018-19.

PROGRAM OUTPUT MEASURES

(dollars in thousands)

<u>Output Measures</u>	<u>2016</u>	<u>2017</u> <u>Annualized CR</u>	<u>2018</u>
Recipients	(1)	(1)	(1)
Aid available to students (dollars in thousands) ²	\$432	\$484	\$559
Maximum grant (whole dollars) ³	\$5,420	\$5,512	\$5,920
Average grant (whole dollars)	\$4,909	\$4,990	\$5,375

¹ Recipients estimated to number fewer than 500.

² Aid available is the amount of funding available for new IASG awards to students in any single academic year. This amount differs from budget authority because 1 fiscal year spans across 2 academic years. For instance, total aid available in fiscal year 2017 is comprised of portions of both academic year 2016-17 (ending June 30) and 2017-18 (beginning July 1).

³ Maximum grant amounts for 2016 and 2017 reflect impact of sequestration. Sequestration is not expected in 2018.

PROGRAM PERFORMANCE INFORMATION

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 results is based on the cumulative effect of the resources provided in previous years and those requested in 2018 and future years, as well as the resources and efforts invested by those served by this program.

Because the programs in the Student Financial Assistance account rely on the same performance data, when available, the Iraq and Afghanistan Service Grants performance measures, strategies, and program improvement activities will be discussed in the **Student Aid Overview** and not repeated here.

STUDENT FINANCIAL ASSISTANCE

Iraq and Afghanistan service grants

Distribution of Iraq and Afghanistan Service Grant Funds by Type of Institution:

The data provided in the table below shows the distribution of Iraq and Afghanistan service grants to students attending different types of institutions in award year 2015-2016.

Distribution of IASG by Type of Institution in 2015-16

Institution Type	Recipients	Available Aid	Average Award	Percent of IASG Aid
Public 4-Year	25	\$122,760	\$4,918	33%
Public 2-Year	11	40,920	3,747	11
Private	38	193,440	5,061	52
Proprietary	4	14,880	3,815	4
Total	78	372,000	4,769	100

NOTE: Percentages may not total to 100 percent due to rounding.