Overview

Effectiveness Of The Postsecondary Education Programs

Enactment of the Government Performance and Results Act of 1993 (GPRA) and the National Performance Review initiative led by Vice President Gore have focused attention on measuring the effectiveness of government programs. For the postsecondary education programs, overall effectiveness is measured as progress toward achievement of Priority 3 of the Department's Strategic Plan:

Ensure access to high-quality postsecondary education and life-long learning.

This Overview presents what is known about the effectiveness of the Department's two largest postsecondary education programs: the Title IV Student Financial Assistance programs and the TRIO programs.

Student Financial Assistance Programs

The Title IV Student Financial Assistance programs provide grant, loan, and work-study assistance to needy students to help them obtain postsecondary education and training. The major Title IV student aid programs are as follows:

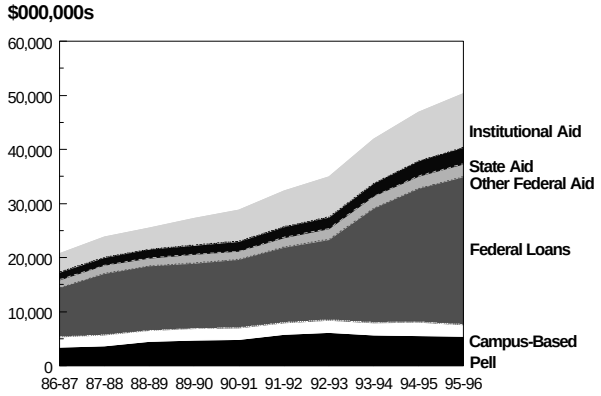
- **Federal Pell Grant Program**: provides direct grants to financially needy undergraduates to help meet the costs of their education at participating postsecondary institutions.

- **Campus-Based Aid Programs**: provide financial assistance through participating postsecondary institutions to financially needy students to help them meet the costs of their education. Three types of assistance are provided through the Campus-Based Aid Programs: grants through the **Supplemental Federal Educational Opportunity Grant Program**, subsidized loans through the **Federal Perkins Loan Program**, and work-study opportunities through the **Federal Work-Study Program**.

- **Federal Loan Programs**: make available loans to students and their parents to help them meet the costs of their education at participating postsecondary institutions. There are two basic Federal Loan Programs. In the **Federal Direct Loan Program**, the federal government provides loans directly to students through postsecondary institutions. In the **Federal Family Education Loan (FFEL) Program**, loans are provided by private lenders and insured against default by the federal government. Each loan program offers three types of loans--subsidized loans, available to financially needy students; unsubsidized loans, available to all students; and loans to parents of dependent students.

As shown in figure 1, almost $50 billion was made available to students to attend postsecondary institutions in 1995-96. Of this amount, approximately 70 percent-- $35 billion--came from the Title IV student aid programs. This percentage has remained constant over the past 10 years. What has changed is the percentage of Title IV student aid that comes from federal loans. In 1986-87, federal loans constituted 63 percent of Title IV student aid; by 1995-96 this proportion had reached 78 percent.

Figure 1
Distribution of Student Aid



Source: Trends in Student Aid: 1986-1996, College Board.

Although loans make up the majority of the funds available through the Title IV student aid programs, they do not constitute the majority of federal funds used to support student aid. In FY 1996, for example, the Federal Loan Programs accounted for only about 40 percent of total federal spending on the Title IV student aid programs. The amount available for aid and the amount of federal spending differ because it costs the federal government only between 10 and 15 cents for every dollar in loan money made available to students because loans must be repaid.

As shown in figure 1, the federal government provides a substantial amount of money through the Title IV student aid programs in support of Priority 3, helping ensure access to postsecondary education. However, it is difficult to evaluate the specific effect that the Title IV student aid programs have had on achievement of Priority 3 for the following reasons:

- **Lack of Control Groups:** Program effectiveness is often evaluated by comparing the outcomes for recipients with those for a control group of similar people who did not receive program services. Establishing proper control groups is hard in the case of the Title IV student aid programs, however, because of the entitlement nature of the programs. In general, there are no "similar students" who do not receive Title IV student aid because, for the major student aid programs, students with similar characteristics are eligible to receive the same awards.

- **Importance of Outside Factors:** One method for evaluating program effects without using control groups is to relate changes in the program over time with changes in various outcomes of interest. This type of time-series evaluation is also difficult to do in the student aid programs because outside factors such as the economy, state funding decisions, and changes in elementary and secondary education, heavily influence the outcomes of interest such as postsecondary enrollment and completion. It is extremely difficult to separate out the effects of changes in the Title IV student aid programs from the effects of changes in outside factors. In addition, although there have been a number of changes in the Title IV student aid programs over time, the changes have not been so great that one would necessarily expect to see a corresponding change in outcomes measured at the national level. For example, the $230 increase in the Pell maximum award passed in 1997, while substantial, may not result in an identifiable change in overall participation rates in postsecondary education separate from changes occurring for other reasons.

- **Fungibility**: Students' enrollment decisions will be affected by the net price they face for college; this price depends on the amount of college fees as well as on all forms of aid received by the student. It is therefore difficult to pinpoint the effect of any single program or, even type of aid, such as federal aid, on student behavior.

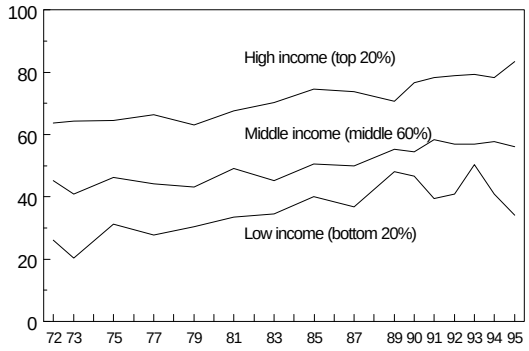
Given the difficulties of isolating the behavioral effects of the Title IV student aid programs, the Department has chosen to assess the effectiveness of the student aid programs without attempting to establish a causal link between program funding and achievement of specific outcomes. Rather, as described in the remainder of this section the Department has developed performance indicators for the Title IV student aid programs focused on **whether the programs have reduced financial barriers to college participation, are meeting the needs of their customers, and are being administered in a cost-effective manner.**

Reducing Financial Barriers to College Participation

One indicator of whether the student aid programs have been successful in reducing financial barriers to college participation is a comparison of the educational outcomes for low-income and high-income students. Significant differences in educational outcomes for various income groups may indicate that financial barriers remain in the system. Data are presented here below on three key postsecondary outcomes: **access, choice, and persistence**.

Access: Figure 2 demonstrates that there are wide differences in the rate of college attendance among different income groups. In 1995, students from families in the top 20 percent of the income distribution were more than twice as likely to enroll immediately in college than were students from families in the bottom 20 percent of the income distribution--83.4 percent vs. 34.2 percent. High school graduates from families in the middle 60 percent of the increase distribution also were much less likely to attend college immediately (56.1 percent) than were higher income students.

Figure 2
Percentage of High School Graduates Immediately Enrolling in College



Source: Condition of Education 1997, Analysis of October CPS Data

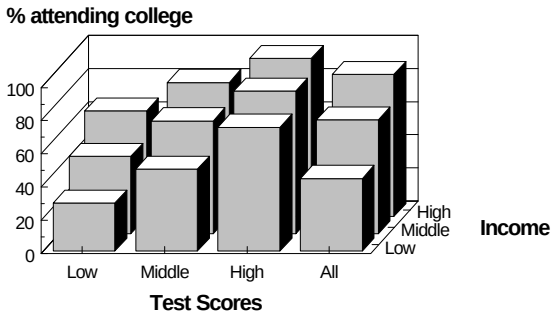
Figure 2 also shows that while the percentage of high school graduates enrolling directly in college has increased over the past 20 years for all income groups, in the past two years enrollment rate differences by income have increased sharply with low income rates falling 16 percentage points, middle income rates dropping slightly (falling 2 percentage points), and high income college enrollment rates increasing 5 percentage points. Due to the relatively small sample sizes involved, yearly fluctuations in college-going rates are common and longer term trends are probably a more accurate reflection of underlying behavior. However, these recent trends are very troubling and need to be monitored carefully.

While figure 2 is a good measure of the extent to which financial barriers are present in the entire educational system, it does not provide direct evidence regarding the effectiveness of student aid in removing financial barriers to postsecondary access. The problem is that many factors other than student aid influence the equalization of college participation rates across income groups. In particular,

students from lower income families tend to be less well prepared academically. Consequently, they will be less likely to attend college regardless of the amount of financial aid provided.

A better test of the success of the student aid programs at removing financial barriers to participation is analyzing whether the percentage of students attending college varies across income groups among similarly well prepared high school students. Unfortunately, collecting such data requires expensive and time-consuming longitudinal studies that can be conducted only infrequently. Figure 3 presents data from the latest of these longitudinal studies, the National Education Longitudinal Study (NELS), which followed the educational careers of a representative sample of students enrolled in the eighth grade in 1988.

Figure 3
College Access By Test Scores and Income



Income and test scores divided into thirds
Source: Analysis of NELS data.

Figure 3 indicates that the gap in college attendance rates between high- and low-income students has been narrowed but not eliminated when comparisons are made between students receiving similar test scores. Looking at the "All" column, one can see the relationship between income and college attendance without consideration of test scores. Students from families in the top third of the income distribution are almost twice as likely to attend college as those from the bottom third (85.7 percent vs. 43.9 percent). Among students with high test scores (in the top one-third of the distribution), the difference in college participation between high-income and low-income students is much smaller (95.2 percent vs. 74.7 percent) but still substantial. There are bigger differences by income among students testing in the middle and bottom thirds of the distribution, although low-income students with high test scores are more likely to attend college than high-income students with low test scores (74.7 percent vs. 63.6 percent). These findings suggest that significant financial barriers to college participation remain in the educational system, particularly for lower-income students.

Choice: Another goal of the student aid programs is to help reduce financial barriers that affect a student's choice of postsecondary institution. Table 1 presents data from the NELS on the type of institution attended by students in different income and test score groups who were enrolled in college.

Table 1
College Choice, By Test Scores and Income

	Distribution of Students Attending College			
	4-year public	4-year private	<4-year public	<4-year private
All				
Low income	33.0%	12.1%	44.6%	10.3%
Middle income	37.2	15.8	44.1	6.0
High income	44.5	25.1	27.1	3.4
Low Test				
Low income	23.0	5.5	55.3	16.5
Middle income	23.2	8.8	57.5	10.3
High income	24.8	7.5	60.2	7.5
Middle Test				
Low income	32.2	11.3	47.6	8.9
Middle income	32.0	10.9	50.2	6.9
High income	41.0	18.6	35.1	5.3
High Test				
Low income	45.1	19.9	30.0	5.0
Middle income	46.8	22.5	27.3	3.4
High income	50.1	31.6	16.7	1.7

Note: Income and test scores are evenly divided into thirds.
Source: Analysis of NELS data.

As shown in table 1, there are substantial differences in college choice by income groups when test scores are not considered. High-income students were more than twice as likely to attend more expensive, four-year private colleges than low-income students (25.1 percent vs. 12.1 percent) and 40 percent less likely to attend cheaper, less-than-four-year public colleges (27.1 percent vs. 44.6 percent). As was the case with access, the difference in the type of college attended by high- and low-income students is reduced but not eliminated when comparisons are made among students receiving similar test scores. Among students receiving test scores in the top one-third of the distribution, high-income students were 60 percent more likely to attend four-year private colleges than low-income students

(31.6 percent vs. 19.9 percent), and 45 percent less likely to attend less-than-four-year public colleges (16.7 percent vs. 30 percent). However, low-income students with high test scores were almost three times as likely to attend a four-year private college as were high-income students with low test scores (19.9 percent vs. 7.5 percent), which indicates the selective nature of many of these colleges. In all test score groups, low-income students were the most likely to attend less-than-four-year private institutions, which are mostly private, for-profit, vocationally-oriented institutions.

Persistence: Besides providing access to college, the student aid programs are also designed to help ensure that once students are enrolled, financial barriers do not prevent them from achieving their educational goals. Table 2 presents data from the Beginning Postsecondary Students study (BPS) on the percentage of full-time, beginning college students in 1989-90 who either attained a degree or were still enrolled in college as of the spring of 1994.

Table 2
College Completion, By Type of School Attended and Income

	Percentage of students enrolled full time beginning in 1989-90 who attained a degree or were still enrolled in the spring of 1994			
	4-year public	4-year private	2-year	<2-year
Dependent				
Less than $20,000	70.7%	75.5%	55.5%	68.8%
$20,000-$39,999	75.7	82.3	65.0	61.5
$40,000-$59,999	79.1	86.6	65.1	89.0
$60,000 and over	83.2	89.1	69.8	Low-N
Independent	54.4	68.3	53.8	65.0

Source: Analysis of BPS data.

As shown in table 2, college completion rates tend to increase with income[1] in all types of institutions suggesting that the system still contains financial barriers to completion. However, many nonfinancial factors affect college persistence and they may also contribute to the differential completion rates between low-income and high-income students.

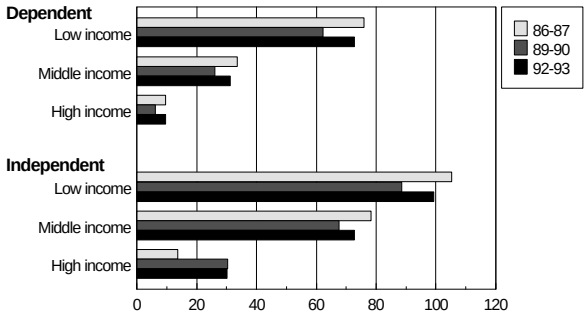
Affordability: Another indicator of the effect of the Title IV student aid programs on removing financial barriers is the ability of the programs to keep college affordable for low-income students.

Figure 4 uses data on a representative sample of individual students from the National Postsecondary Student Aid Studies (NPSAS) of 1987, 1990, and 1993 to analyze changes in the purchasing power of the Title IV student aid programs in recent years in terms of the percentage of tuition met by these programs.

[1] In most cases independent students, who tend to have lower incomes, had lower completion rates than dependent students.

Figure 4 indicates that, for most students, the proportion of tuition met by Title IV student aid declined between 1986-87 and 1989-90 and then recovered between 1989-90 and 1992-93, leaving students slightly worse off than they had been in 1986-87. Specifically, Title IV student aid made up 74.3 percent of tuition for low-income dependent students in 1986-87. This fell to 63.7 percent in 1989-90 and then increased to 71.2 percent in 1992-93. Similarly, among all low-income independent students, the proportion of tuition met by Title IV student aid amounted to 105 percent[2] in 1986-87, fell to 88.4 percent in 1989-90, and then recovered to 95.7 percent in 1992-93. Figure 4 also indicates that Title IV student aid is well targeted, with low-income students receiving much more support than high-income students. In 1992-93, for example, Title IV student aid met almost eight times the proportion of tuition for low-income dependent students as it did for high-income students (72.7 percent vs. 9.5 percent).

Figure 4
Percentage of Tuition Met By Title IV Student Aid, By Income



Note: Sum of Title IV aid, including non-recipients, divided by sum of tuition. Income divided by quartiles, with the two middle quartiles combined.
Source: National Postsecondary Student Aid Studies: fall enrollment only.

One of the factors that has helped maintain the purchasing power of Title IV student aid has been an increase in the percentage of students receiving Title IV student aid. Between 1986-87 and 1992-93, the percentage of low-income dependent students receiving Title IV student aid increased from 51.2 percent to 61.5 percent (not shown in figure). For low-income independent students, the proportion receiving Title IV student aid increased from 53.2 percent in 1986-87 to 72.7 percent in 1992-93.

Client Satisfaction

The previous section focused on measuring the outcomes of the student aid programs. How the Department administers the Title IV student aid programs also is important. One of the key ways the Department is measuring its administrative performance is by asking its primary clients-- students and institutions--how well it is doing in running the Title IV student aid programs. Indicators of client satisfaction have been obtained in **the student loan programs** and **overall student aid delivery system**, which are discussed here.

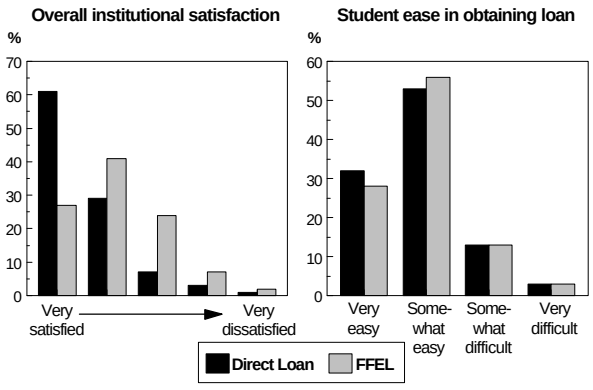
Student Loan Programs: In 1994-95, the Department launched the Direct Loan Program in an effort to improve the administration of the student loan programs for both institutions and borrowers. The Direct Loan Program is intended to streamline administration by having the federal government provide loan capital directly to postsecondary institutions with which to originate loans, rather than having lenders provide the capital with the loans insured by guarantee agencies and then reinsured by the federal government. By eliminating the middlemen, the Department expected that Direct Loans would be easier for institutions to administer and that it would be faster and simpler for borrowers to get their loans.

[2]Because title IV student aid can be used for living expenses the amount may exceed 100 percent of tuition.

At the same time the Department was beginning the Direct Loan Program, it also awarded a contract to evaluate the program's implementation and subsequent operation. Key components of the evaluation were surveys of postsecondary institutions and borrowers designed to compare satisfaction with various aspects of the Direct Loan and Federal Family Education Loan (FFEL) programs. Figure 5 presents the results of surveys of both institutions and borrowers participating in the first year of the Direct Loan Program (1994-95) and a corresponding sample of institutions and borrowers participating in the FFEL program.

As shown in figure 5, there was a high degree of satisfaction among postsecondary institutions and borrowers with both the Direct Loan and FFEL programs. First-year Direct Loan Institutions indicated greater satisfaction with the Direct Loan Program than did FFEL institutions with the FFEL program (90 percent vs. 68 percent). The biggest difference between the two programs was in the proportion of institutions that said they were very satisfied (61 percent vs. 27 percent). Among students, there was no significant difference in the percentages of first-year Direct Loan borrowers and FFEL borrowers indicating that the loan origination process was easy (85 percent vs. 84 percent). Very few (3 percent or less) institutions and borrowers in either program indicated they were very dissatisfied with their loan program.

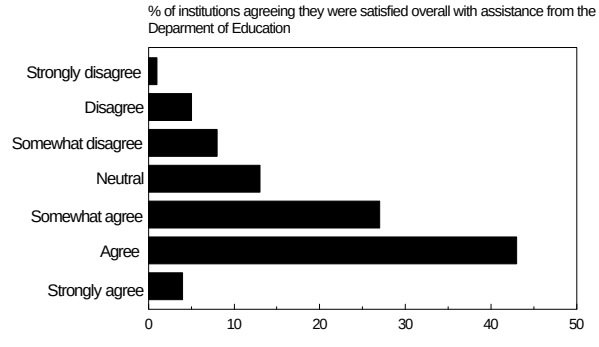
Figure 5
Client Satisfaction in the Student Loan Programs



Source: Direct Loan Evaluation, Macro International.

Another way to assess the Direct Loan Program's service to borrowers is to question borrowers who have borrowed under both the Direct Loan and FFEL programs about their comparative experiences. This provides a better test of the relative merits of the two programs than just asking borrowers about their experiences in one program only. When asked to compare their 1994-95 Direct Loan experience with their prior FFEL experience, 39 percent of first Direct Loan borrowers cited their Direct Loan experience as more positive. This is almost double the percentage of FFEL borrowers (21 percent) who said that their 1994-95 loan experience was more positive than prior FFEL experiences.

Figure 6
Institutional Satisfaction with the Title IV Delivery System



Source: Higher Education Survey #20, Westat Inc.

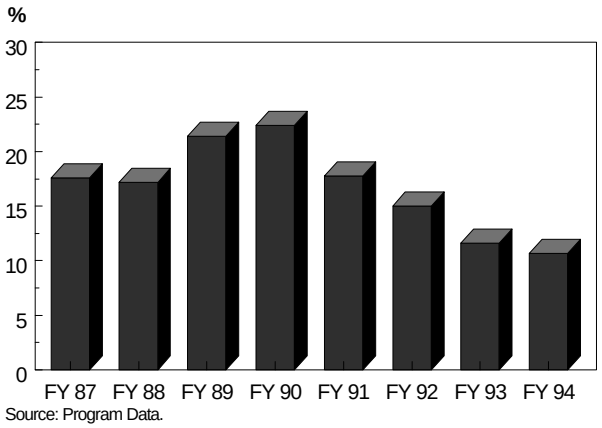
Overall Student Aid Delivery System: In 1995, the Department surveyed a representative sample of postsecondary institutions about their satisfaction with the delivery of the federal student financial assistance programs. Findings from that survey, as shown in figure 6, revealed that the majority of institutions (73 percent) were pleased overall with the assistance they received from the Department. The most

common response was that institutions *agreed* they were pleased with the Department's assistance (43 percent). A few institutions (4 percent) *strongly agreed* that they were pleased, while 27 percent of institutions indicated they *somewhat agreed*. The remainder of the responses were split between institutions that were neutral (13 percent) and those that disagreed that they were satisfied overall (14 percent).

Cost-Effectiveness

A key goal of all federal programs is to minimize operational costs and to maximize the benefits that society receives from the program. In the Title IV student aid programs, one of the major costs of operating the programs is the **cost associated with students defaulting on their loans**. As shown in figure 7, the Department has made great strides in reducing the default rate in recent years. The FFEL cohort default rate--the rate at which FFEL borrowers default within two years of entering repayment--has declined by over one-half in the past five years, from 22.4 percent in FY 1990 to 10.7 percent in FY 1994. The following two factors have contributed to the decline in the default rate:

Figure 7
Cohort Default Rate



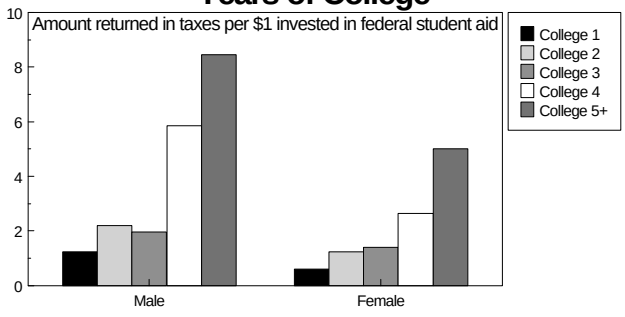
Source: Program Data.

- In 1990, the Department received statutory authority to exclude institutions with high default rate from participation in the student loan programs. Since that time, 750 institutions, 85 percent of which were proprietary schools, have been removed from the FFEL program. The elimination of these problem schools caused the cohort default rate among proprietary schools to decline from 41.2 percent in 1990 to 21.1 percent in 1994.

- Economic growth in recent years has made it easier for students to find jobs and repay their loans.

Another measure of cost-effectiveness is the **increase in federal tax revenue attributable to the federal investment in the student aid programs**. Substantial economic returns accrue to additional education, part of which is attributable to the federal investment in student aid, without which many people could not attend college. This additional income also leads to additional tax revenue for the country. Comparing the tax revenue generated by the student aid programs to their cost provides a good indication of the cost-effectiveness of the programs.

Figure 8
Estimates of the Return on Federal Student Aid, By Gender and Years of College



5% discount rate, 2% growth rate
Source: Planning and Evaluation Service..

As shown in figure 8, comparing the increased tax revenue attributable to student aid to the federal costs of providing this aid reveals that federal student aid is very cost-effective. Using conservative assumptions, **a dollar invested in the federal student aid programs returns $4.30 in additional tax revenue over a student's lifetime** (average not shown in figure). This return ranged from $1.24 for men with one year of college to $8.45 for men with five or more years of college. For women the return was smaller--$0.64 for one year of college and $5.02 for

women with five or more years of college. These estimates count additional tax revenues only for those students whose educational attainment was probably made possible by the receipt of federal student aid, not for all students enrolled in college. All revenues and costs were discounted to present dollars using a 5 percent discount rate, and incomes were assumed to grow 2 percent per year over time.

Trio Programs

TRIO consists of six federally funded grant programs administered by the Department of Education: Upward Bound, Talent Search, Student Support Services, Educational Opportunity Centers, Training Program for Federal TRIO Programs, and the Ronald McNair Post-Baccalaureate Achievement Program. In general, these programs are designed to help economically disadvantaged students succeed at the postsecondary level-by facilitating completion of high school; entry into, retention, and completion of postsecondary education; and entry into graduate study. Although the two largest TRIO programs (Upward Bound and Student Support Services) are aimed at disadvantaged high school and undergraduate students, other TRIO programs serve middle-school students, graduate students, and out-of-school adults.

At present, 1,895 TRIO programs (including 16 Training grants) located in 1,200 colleges, universities, and agencies serve approximately 671,000 disadvantaged students. As mandated by Congress, two-thirds of TRIO participants must be from low-income families in which neither parent has completed a baccalaureate degree.

TRIO programs give eligible students a range of educational services designed to supplement those provided in the regular school program, including advanced academic instruction; tutoring; remediation; personal, academic, and financial aid counseling; exposure to cultural events; and referral to other service providers.

The amount of assistance the TRIO programs provide to students varies widely; for example, the Upward Bound program provides high school students with long-term assistance that costs $3,848 per student annually, while Talent Search serves similarly disadvantaged high school students at a cost of $263 per student annually.

For the past several years, the Department has conducted evaluations of TRIO's two largest programs-Upward Bound and Student Support Services, which receive about 70 percent of total program funding. Recently published findings are summarized here:

Upward Bound Evaluation[3]

The evaluation of Upward Bound reports on the short-term effects of program participation upon high school course-taking and educational expectations. Findings are based on a longitudinal study of 2,800 randomly selected program participants and controls. Results in subsequent reports will describe longer-term effects on college enrollment, persistence, and completion. A second volume describes

[3] David Myers and Allen Schirm, "The Short-Term Impact of Upward Bound: An Interim Report," Mathematica Policy Research, February 1997; Mary Moore, "A 1990s View of Upward Bound: Programs Offered, Students Served, and Operational Issues," Mathematica Policy Research, February 1997.

program operations, services, recruitment, and selection decisions based on surveys and case studies conducted as part of the evaluation.

Short-term Effects

- **Upward Bound has a significant positive effect on students' educational expectations**.

  Participants are expected to complete almost 0.25 more years of school on average than nonparticipants in a control group.

- **Upward Bound has a statistically significant positive effect on the amount of academic coursework students take while in high school**.

  Upward Bound increases the number of high school academic credits students earn during the first year of program participation. Participants earned about one credit (Carnegie unit) more than nonparticipants. This effect is large when compared with the experiences of a typical high school student, who each year is expected to complete about five academic or elective credits. Participants earned more credits than nonparticipants in science, math, English, foreign languages, and social studies.

- **The effects of Upward Bound vary with the length of time students participate and their initial educational expectations**.

  The program is most beneficial for students who persist in the program and for those entering with low educational expectations. These two areas--retention and student selection--offer opportunities for program improvement.

Focus on Academics

- **The typical Upward Bound experience is a highly structured, rigorous, demanding program of supplemental academic instruction**.

  The average program participant received 179 sessions of supplemental academic instruction yearly. Most projects offer a large number of academic courses during the summer and regular school year. In contrast to the early 1970s, when most Upward Bound instruction was remedial, the program's current emphasis includes coursework that supports a college preparatory high school curriculum and advanced instruction.

  These findings about the short-term academic effects of Upward Bound are particularly important, given concerns about the program's academic rigor that were raised in an evaluation conducted two decades ago. As a short-term measure of program effectiveness, increased student exposure to academic coursework suggests that Upward Bound may be preparing students to succeed at the postsecondary level.

Future reports will describe the longer-term effect of Upward Bound on high school graduation, preparation for college, and college enrollment, persistence, and completion.

Student Support Services Evaluation[4]

The evaluation of Student Support Services (SSS) reports the effects of program participation on college retention, grades, and credits earned. The results are based on data from 5,800 program participants and comparison group students whose progress was measured over a three-year period. As shown here, the study results suggest that the Student Support Services program has a modest positive effect upon the rates of college retention among economically disadvantaged students.

Effects on Student Outcomes

- **The SSS program has a positive and statistically significant effect on three separate student outcomes--grades, credits earned, and retention. The effects, although modest, usually persist over three years.**

  -- Students' grade point averages were increased by a mean of 0.15 point in the first year, 0.11 in the second year, and 0.11 in the first three years combined.

  -- The number of credits earned was increased by a mean of 1.25 in first year, 0.79 in the second year, 0.71 in the third year, and 2.25 in the first three years combined.

  -- Retention at the same institution to the second year was increased by 7 percent, and by 9 percent to the third year. Retention to the third year at any higher education institution was increased by 3 percent.

Program Operations

- **SSS program participants receive diverse types and moderate levels of service.**

  Projects offer different packages of services and, even within a single institution, students participate in many different ways. The two services that are most frequently received are professional counseling and peer tutoring. However, the amount of assistance students actually obtain is quite modest, with 30 percent of program participants having less than five service contacts during their freshman year.

- **The program's services are well targeted to serve disadvantaged students.**

  Compared with other students at the same institutions, SSS students were much more likely to be economically disadvantaged, minority, and ill-prepared academically for college.

Future reports will contain information on longer-term program effects on college graduation.

Office-Wide Performance Objectives and Indicators for the Office of Postsecondary Education

The Office of Postsecondary Education (OPE) is the responsible agency within the Department of Education for managing the programs described in Chapters 501 through 539 of this Biennial

---

[4] Bradford Chaney, Lana Muraskin, Margaret Cahalan, and Rebecca Rak, "National Study of Student Support Services: Third-Year Longitudinal Study Results and Program Implementation Study Update," Westat, February 1997.

Evaluation Report. The Department has developed Office-wide objectives and performance indicators for OPE. These objectives and indicators focus on access to postsecondary education; persistence of financial aid recipients; the return to taxpayers of the federal investment in student financial aid; high-quality program management by institutions, agencies and lenders; effective program management by OPE; and provision of effective information to prospective students and families about postsecondary education cost and the availability of financial aid.

OPE performance objectives, and the indicators used to measure progress, will be increasingly prominent in future analyses of the effectiveness of postsecondary education programs. Because they pertain to all OPE programs, they are displayed in the following pages and cross-referenced in each OPE program chapter.

Office of Postsecondary Education (OPE): Office-Wide Performance Indicators — DRAFT — March 10, 1997			
Goal: To provide access to high-quality postsecondary education			
Objectives	**Indicators**	**Source and Next Update**	**Strategies**
1. Eligible low- and middle-income students will have the same access to postsecondary education as high-income students.	**1.1 Percent of unmet need.** Considering all sources of financial aid, the percent of unmet need, especially for low-income students, will show continuous decreases over time. *(In 1992-93, percent of unmet need was 30% for all students ranging from 54% for low-income independent students to 4% for upper-income dependent students.)* **1.2 Gap in college participation between low- and high-income high school graduates.** The gap in college participation between low- and high-income high school graduates will decrease each year. *(In 1995, there was a significant gap in college participation between low- and high-income high school students. High income students enrolled at a rate that was 32 percentage points higher than the rate for low-income students. Analysis of NELS data ongoing.)*	1.1 National Postsecondary Student Aid Study (NPSAS) 1996/97 survey, 2001 *(Note: Interim measures to be developed to track between NPSAS surveys which are scheduled to be conducted every four years.)* 1.2 National Education Longitudinal Survey 1988 (NELS), 2002, and Current Population Statistics (CPS), 1997. *(CPS will be used to track overall trends between longitudinal surveys.)*	• Work to enact and implement the HOPE Scholarship initiative, tax deduction for postsecondary education, and Presidential Honors Scholarships. • Further expand funding for the Pell Grant Program and College Work Study Program. Work to assure that TRIO and other support programs are effective and available to needy students. • Expand upon the current information dissemination strategies. • Monitor loan availability and assess the adequacy of current loan limits. • Monitor enrollment and population trends and identify any problems in enrollment of low-income students.
2. Financial aid recipients will persist in postsecondary education and attain degrees and certificates.	**2.1 Completion rate.** The gap will narrow on a continuing basis between low- and high-income, full-time, degree-seeking students enrolling in a four-year college who graduate within five years, and in a two-year college who graduate within three years.	2.1 Beginning Postsecondary Students (BPS) Survey (graduation rates), 2001 *(Note: Interim measures to be developed to track between BPS surveys which are scheduled to be conducted every eight years.)*	• As part of reauthorization of the Higher Education Act, pursue better linkages between OPE programs and systemic reform efforts underway in the Elementary and Secondary Education Programs to help ensure that entering freshman are academically prepared for postsecondary education.

Office of Postsecondary Education (OPE): Office-Wide Performance Indicators — DRAFT — March 10, 1997			
Goal: To provide access to high-quality postsecondary education			
Objectives	**Indicators**	**Source and Next Update**	**Strategies**
	*(As a baseline, BPS data indicate a gap of approximately **23%** in four-year college completion within five years between low and high income students. For students entering four-year colleges in 1990, the percentage that had graduated by 1994, is as follows:* *Highest income quartile: **57.2%*** *Second income quartile: 47.4%* *Third income quartile: 40.4%* *Lowest income quartile: **34.4%*** **2.2 Post-enrollment employment rate.** Title IV recipients will maintain employment at rates at least equal to non-recipients. *(BPS data suggest that employment rates of Title IV recipients and non-recipients are equal for both graduates and non-graduates.)*	2.2 BPS, 1998 (employment of those attaining a certificate or associates degree) and Baccalaureate and Beyond (B&B), 2001 (employment of those attaining a bachelors degree)	• Enhance the effectiveness of TRIO/Student Support Services projects through (1) implementation of recommendations arising from the on-going evaluation of the programs and, (2) through more effective monitoring and dissemination of information regarding effective practices.
3. Taxpayers will have a positive return on investment in the federal student financial assistance programs.	**3.1 Return on investment.** The benefits of the student aid programs, in terms of increased tax revenues, will exceed their costs. *(ED study found that for every dollar spent on men to obtain two years of college, $2.19 was returned to the treasury. Comparable estimate for men to obtain four years of college was $5.86. Estimates for women were lower.)*	3.1 Analysis of Census data by Office of the Under Secretary's Planning and Evaluation Service (PES), 1997	• Continue to monitor trends regarding costs/benefits and lifetime earnings. • Carry out activities described above to increase persistence, degree attainment, and job placement which have direct impact on investment.

Office of Postsecondary Education (OPE): Office-Wide Performance Indicators — DRAFT — March 10, 1997			
Goal: To provide access to high-quality postsecondary education			
Objectives	**Indicators**	**Source and Next Update**	**Strategies**
4. Ensure high quality program management by institutions, agencies and lenders.	**4.1 IPA institutional audit quality.** OIG Quality Control Reviews will find that required institutional audits show increasing levels of quality. *(Baseline to be determined.)* **4.2 QA program participation rate.** Increase the number of institutions participating in the Quality Assurance Program to 500 by the year 2000. *(Currently there are 130 institutions participating in the program.)* **4.3 Compliance rate.** Institutional compliance rates will show increases over baseline. *(Baseline to be determined.)* **4.4 Customer satisfaction.** Surveys of institutions will show satisfaction with OPE efforts to ensure increases in management flexibility and reduced burden. *(Baseline to be determined.)*	4.1 Institutional Participation and Oversight Service (IPOS) data, annual, 1997 4.2 IPOS data, annual, 1997 4.3 Contractor and IPOS data; annual. *(Estimated $3.8 million in contract costs will be required to support the assessment of institutional compliance)* 4.4 OPE/PES customer survey, annual, 1998	• See key strategies on following page regarding case management and risk analysis. Other strategies include: • Promote prevention-based Quality Assurance strategies. • Continue efforts to reduce regulatory burden, where appropriate. • Implement incentive-based approach to default prevention (Guaranty Agencies). • Seek new collection authorities to minimize loss on defaults. • Improve the quality of third party audits.
5. Provide effective program management to ensure that programs are efficiently administered and are cost-effective.	**5.1 Application data quality**. Improved verification procedures will result in continuous improvement in the accuracy of applicant data. *(Baseline to be determined.)*	5.1 Central Processor System data, Quality Assurance Program statistics; annual, 1997	• Continue Project EASI as well as shorter-term initiatives to increase use of electronic data transmission • Pursue data matching with the IRS to improve data quality and reduce burden for Title IV applicants.

Office of Postsecondary Education (OPE): Office-Wide Performance Indicators — DRAFT — March 10, 1997			
Goal: To provide access to high-quality postsecondary education			
Objectives	**Indicators**	**Source and Next Update**	**Strategies**
	5.2 Timely delivery of the programs. Meet Master Calendar established rates-100%. **5.3 Reduce cost of NSLDS.** Per unit contract costs associated with operation and maintenance of the NSLDS will decrease over time. **5.4 Targeting effectiveness for case management** (Percent of schools selected which have compliance and enforcement actions or required technical support, including recertifica- tion issues). The effectiveness of Institutional Participation and Oversight Service (IPOS) targeting activities will show continuous improvement over baseline. *(Baseline to be determined.)* **5.5 Sustainment rate.** The rate at which adverse findings/determinations (audit liabilities, terminations [ALJ decisions], fines, program review liabilities) are sustained will show continuous improvement over baseline.*(Baseline to be determined.)* **5.6 Institutional cash management.** Cash management ratios calculated for individual schools and the programs as a whole will show the degree to which schools expend their funds according to regulations (e.g. within three days of receipt). These ratios will continue to improve. *(Baseline to be determined.)*	5.2 OPE program data; annual, 1997 5.3 OPE program data; annual, 1997 5.4 IPOS data (risk analysis system), annual, 1997 5.5 IPOS data, 1997, and Postsecondary Education Participant System, annual, 1997 5.6 OPE program data, quarterly, 1997	.● Continue Title IV-wide initiative to improve quality in data systems. ● Expand performance-based contracting. ● Improve responsiveness to customers (e.g. grants reengineering) and regular measurement of customer satisfaction. ● Continue to provide leadership in the community in support of the national priority for quality education. ● Implement Case Management team monitoring approach in the IPOS to improve school eligibility processes. ● Complete testing of the Risk Analysis model by 09/30/97, modify model, as needed, and implement across IPOS . ● Encourage improved accreditation processes as a means of eliminating poorly performing institutions from participation in the Title IV Programs. ● Promote expanded performance measurement in the administration of the Title IV Programs to better assess and monitor institutional performance. ● ED is committed to continue to monitor school and program cash management and accountability performance.

Office of Postsecondary Education (OPE): Office-Wide Performance Indicators — DRAFT — March 10, 1997			
Goal: To provide access to high-quality postsecondary education			
Objectives	**Indicators**	**Source and Next Update**	**Strategies**
6. Provide effective information to prospective students and their families about the true cost of obtaining a postsecondary education and the availability of student financial aid.	**6.1 Early understanding.** A majority of prospective students at age 12 and above and their parents will have an accurate assessment of the cost of attending college and the aid available for college. *(Baseline to be developed.)*	6.1 Polling data, annual, 1998	• Develop partnerships with secondary and middle school counseling organizations, and expand efforts to develop outreach and early awareness materials that emphasize financial planning strategies, and relate postsecondary education costs to available aid.
	6.2 Understanding of student academic responsibilities. Percentage of high school students who are aware of academic requirements for college/ vocational enrollment will increase each year. (*Baseline to be developed*)	6.2 PES/OPE data, 1998	• Develop outreach program using public service announcements, visual media, and other means to increase student awareness among low-income and at-risk students. • Information on postsecondary educational costs and availability have been added to the OPE Home Page on the Internet.