



NASFAA 2004

NATIONAL CONFERENCE • MINNEAPOLIS 7.18.04 - 7.21.04

Helping Students Make it After All!





Accountability for Results: The Impact of PART on the Federal Student Aid Programs



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Introduction and Key Questions

- Why the focus on performance and results?
- How do we measure performance?
- Why does it matter to us?
- Why should it matter to you?



Agenda

- Historical Overview
- What is the PART and what does it do?
- Interactive Case Study
- PART and the FSA Programs
- PART and You
- Conclusions and Q&A



History in Acronyms

- **GPRA = Government Performance & Results Act**
 - Passed in 1993
 - Requires all Federal agencies & programs to have measurable goals and objectives.

- **PMA = President's Management Agenda**
 - Initiated in 2001
 - 5 point plan aimed at improving the efficiency and effectiveness of Federal programs.



History in Acronyms (cont.)

- **OMB = Office of Management and Budget**
 - President's Budget Office
 - Oversees the development of Federal agency and department budgets

- **PART = Program Assessment Rating Tool**
 - Addresses the fifth element of the PMA: Budget and Performance Integration
 - OMB-developed tool for assessing the effectiveness of all Federal programs



PART: How does it work?

- Approximately 30 weighted questions divided into 4 sections:
 - Program Purpose and Design
 - Strategic Planning
 - Program Management
 - Program Results
- OMB works with department staff to answer the questions.
- OMB issues a rating for each program under evaluation.
- Final results released each year as part of the President's Budget.



PART in Action

- To date, 400 programs have been evaluated using PART.
 - FY 2004 Budget rated the performance of 234 Federal programs, including:
 - Pell Grants;
 - Federal Family Education Loans (FFEL); and
 - Direct Student Loans (FDSL).
 - FY 2005 Budget rated the performance of 173 Federal programs, including:
 - Supplemental Education Opportunity Grants (FSEOG);
 - Work-Study (FWS); and
 - Perkins Loans.
 - All Federal programs will be evaluated by FY 2008.
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Interactive Case Study: “Cones for Kids”

- Congress and the President have decided that they wish “to raise the level of happiness amongst our nation’s children during the summer months” by authorizing an ice cream cone voucher program (to be overseen by the Department) with the following conditions:
 - One cone per child per year;
 - The child must be in “junior-high school”;
 - Vouchers can be redeemed at any participating ice cream stand;
 - Redemption can occur anytime between June 1st and August 1st each year;



Program Purpose and Design

- Description
 - Examines the clarity of program purpose and design.
 - Key source documents include legislation and agency plans.
- Sample Questions
 - Is the program purpose clear?
 - Does the program address a specific and existing problem?
 - Is the program designed so that it is not redundant?
 - Is the program targeted so that resources reach intended beneficiaries?



Strategic Planning

- Description
 - Assesses whether there are adequate performance measures and a limited number of achievable goals.
 - Sample Questions
 - Does the program have a limited number of long-term goals?
 - Does the program have a limited number of annual performance goals that demonstrate progress towards long-term goals?
 - Are evaluations conducted on a regular basis?
 - Has the program taken steps to address planning deficiencies?
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Program Management

- Description
 - Tests whether agencies can show that the program is effectively managed to meet program goals and objectives.
- Sample Questions
 - Does the agency regularly collect performance data?
 - Are managers and program partners held accountable for performance results?
 - Does the program have procedures to measure and achieve efficiencies and cost effectiveness?
 - Does the program collaborate and coordinate effectively with related programs?



Program Results

- Description
 - Considers whether or not the program can show it is meeting its long-term and annual goals.
- Sample Questions
 - Does the program achieve its annual performance goals?
 - Has the program demonstrated progress towards its long-term goals?
 - Does the program's performance compare favorably to other similar programs?
 - Do independent evaluations of the program indicate it is effective and achieving its intended results?



From Ice Cream to Student Aid

- The same basic questions are asked when evaluating Federal student aid programs or any other Federal program.
- Each of the questions and sections in the PART are weighted:
 - Program Purpose and Design = 20%
 - Strategic Planning = 10%
 - Program Management = 20%
 - Program Results = 50%
- All Federal student aid programs have the same four performance measures.



Possible Ratings

<u>Rating</u>	<u>Range</u>
Effective	85-100
Moderately Effective	70-84
Adequate	50-69
Ineffective	0-49

Results Not Demonstrated = Insufficient Performance Measures



Ratings To Date

<u>Rating</u>	<u>% of Programs</u>
Effective	11%
Moderately Effective	26%
Adequate	21%
Ineffective	5%
Results Not Demonstrated	37%



Performance Measures for Student Aid

- Debt Burden
 - The median Federal student loan debt burden to remain below 10 percent.
- Enrollment Rates
 - Percentage of high school graduates going on to postsecondary education immediately after high school graduation.
- Persistence Rates
 - Percentage of non-graduating students that return to continue their studies.



Performance Measures for Student Aid

- Completion Rates
 - Percentage of full-time students completing within 150 percent of normal time to degree
- Recovery Rate on Department-held Defaulted Loans
 - Recovery Rate for FY 2004 at or above 8 percent
- Percentage of Pell Grant Overawards
 - Percentage of overawards is below 2.5 percent
- Unit Cost of Student Aid Processes



How are FSA programs fairing?

Pell Grants	Adequate
Federal Family Education Loans	Adequate
Federal Direct Student Loans	Adequate
Federal Supplemental Educational Opportunity Grants	Results not demonstrated
Federal Work-Study	Results not demonstrated
Federal Perkins Loans	Ineffective



PART Impact on Aid Programs

- Perkins Loan Elimination
 - Program was deemed redundant and duplicative due to the existence of the FFEL and Direct Loan programs.
 - Funding request was eliminated from the President's FY 2005 budget request.
- Campus-based Allocation Formula
 - Current allocation formula fails to target funds to institutions with the neediest students.
 - In HEA reauthorization, we will seek to modify the allocation formula to ensure that funds flow to institutions that enroll the neediest students.



PART Impact on Aid Programs (cont.)

- Federal Work-Study Program - Community Service
 - PART evaluation determined that on average 15 percent of an institution's students were in community service jobs, but many failed to meet the 7 percent requirement.
 - In HEA reauthorization, we will seek to replace current 7 percent requirement with a 20 percent set aside for community service.



PART Impact on Aid Programs (cont.)

- Pell Grants – Prone to Abuse
 - Pell Grant program prone to abuse. Students that underreport income receive more aid than they should.
 - Re-propose IRS match.
- Pell Grants – Better Targeting
 - When maximum award increased, students from families with higher incomes become eligible.
 - Work with Congress in HEA reauthorization to better target Pell Grant increases.



PART & the Financial Aid Community

- PART recommendations will subsequently affect daily operations in financial aid offices.
- PART leads the financial aid community to consider a world in which a student aid program is drastically different or perhaps even no longer exists.
- PART compels the assistance of the community in gathering necessary data to evaluate program performance and to determine program results.



Conclusions

- Measuring the performance of Federal student aid programs is beneficial and required.
- The PART allows for the systematic evaluation of program efficiency and effectiveness.
- Real policy recommendations arise from PART results and will continue to do so in the long term.
- The financial aid community will not only be affected by PART, but will be asked to participate.



For more information...

- President's Management Agenda
 - www.results.gov
- Detailed PART Results for Federal student aid programs
 - www.whitehouse.gov/omb/budget/fy2005/part.html
- U.S. Department of Education's Budget Office
 - www.ed.gov/about/overview/budget/index.html?src=gu



Comments, Feedback, and Contact Information

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