

## Archived Information

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### Goal 3. Ensure access for all to a high-quality postsecondary education and lifelong learning.

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Postsecondary education has become a nearly universal aspiration for parents and students. Enrollment rates in postsecondary education institutions are now almost the same as the high school graduation rate in 1970. Clearly, postsecondary education has become the key to gaining higher earnings, improved job opportunities, and a more competitive position for this nation in the global environment. Although enrollment rates have been rising in recent years, too many American high school graduates are not continuing their education at the postsecondary level, particularly low-income and minority students. In addition, too many students who begin college do not end up completing their degrees.

Besides helping to ensure postsecondary training for our young people, we must encourage lifelong learning, whether it be graduate school, adult basic education, advanced technical training, or training in job entry skills. Lifelong learning is important particularly for persons with disabilities, adults lacking basic skills, and those whose job skills need upgrading or who require retraining because of labor market changes. Persons with disabilities are at least twice as likely as people without disabilities to be unemployed, which is estimated to cost society in excess of \$2 billion annually. In addition, the National Adult Literacy Survey of 1992 showed that at least 21 percent of adults age 16 and older lacked basic reading and math skills needed for well-paying jobs or entry into higher education.

To help guarantee access to postsecondary education and lifelong learning, we need to continue to make progress in key areas, ensuring that the following four objectives are met:

**Objective 3A: Postsecondary students receive the financial aid they need to pursue their educational aspirations.**

**Objective 3B: Postsecondary institutions receive the support they need to provide a high-quality education.**

**Objective 3C: Postsecondary student aid delivery and program management is efficient, financially sound, and customer-responsive.**

**Objective 3D: All adults, especially educationally disadvantaged adults and individuals with disabilities, will strengthen their literacy skills or employment-related skills to improve their earning power through lifelong learning.**

In the following sections we present the indicators that we will use to measure our performance and the core strategies that we will employ in achieving these four objectives. The remainder of this section discusses some of the issues and challenges that affect Goal 3.

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## Objective 3A: Postsecondary students receive the financial aid they need to pursue their educational aspirations.

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In the United States today a postsecondary education has become more important than ever before. College graduates can expect to earn at least \$600,000 more over their lifetime than high school graduates. This amount has doubled in the past 15 years, and is likely to continue to grow. While the number of students attending college has increased over time, low-income students, minority students, and students with disabilities remain at a significant disadvantage in terms of their participation in postsecondary education. In 1998 only 46 percent of low-income high school graduates enrolled in college the following fall compared to 77 percent of high-income students. Similarly, 69 percent of white high school graduates enrolled in college the following fall compared to only 62 percent of black and 47 percent of Hispanic students. Data from the National Longitudinal Transition study shows that only approximately 12 percent of special education students received any two-year college training within four years of leaving high school and less than 4 percent enrolled in a four-year college.

### Performance Indicators and Targets

1. *Postsecondary education enrollment rates will increase each year for all students while the enrollment gap between low- and high-income and minority and non-minority high school graduates will decrease each year.*
2. *Considering all sources of financial aid, the percent of unmet financial need for postsecondary students, especially for low-income students, will continuously decrease.*
3. *Completion rates for all full-time degree-seeking students in four-year and two-year colleges will improve, while the gap in completion rates between minority and nonminority students will decrease.*
4. *The median Federal debt burden (yearly scheduled payments as a percentage of annual earnings) of borrowers in their first full year of repayment will be less than 10 percent.*
5. *The benefits of the student aid programs, in terms of increased tax revenues, will continue to exceed their costs.*

### Our Role

Through Title IV of the Higher Education Act, the Department of Education makes grants, loans, and work-study opportunities available to help overcome the financial barriers that make it difficult for lower- and middle-income students to attend and complete postsecondary education. Together with the Hope Scholarship and Lifetime Learning Tax Credits, these programs help ensure that all Americans, who have the ability and desire to do so, can attend college.

### Core Strategies

- **Improving information availability and collaboration**
  - Work to ensure that student aid funds are supportive of lifelong learning and, through the Distance Education Demonstration program, evaluate changes in the administration of the student aid programs that may be needed to accommodate and encourage distance education and the use of technology in education delivery systems.

- Gather data to evaluate the effects of the new Federal tax credit programs on postsecondary education and expand those programs to address additional needs.
- Continue to support and improve NCES postsecondary data collection efforts in order to better understand the postsecondary education system in general and more specifically the distribution and effects of student aid.
- Improve the quality of the data and models used to estimate the costs of the student aid programs in order to increase the accuracy of our budget projections as well as to better predict how proposed policy changes would affect program costs and recipients.
- Collaborate with institutions to increase the opportunities for Federal Work-Study (FWS) students to work in community service positions, particularly in the America Reads and America Counts initiatives.
- Expand the Education Department’s outreach campaign to inform middle and high school students and their families about the academic requirements needed for postsecondary education, the cost of obtaining a postsecondary education, and the availability of student aid to help pay these costs. (Also see Objective 1D).

■ **Making college affordable**

- Continue to support the Pell Grant program, which is the largest source of grants to financially needy students to aid them in pursuing postsecondary educational opportunities.
- Through the FWS program, assist needy students by allowing them to earn money to pay for college.
- Help minimize debt burden by implementing and promoting lower interest rates, offering flexible repayment options, providing electronic exit counseling, and minimizing the frequency with which interest is capitalized.
- Through the International Education and Foreign Language Studies, Javits Fellowships, and Graduate Assistance in Areas of National Need programs, work to provide increased support for financially disadvantaged and minority students in graduate and international education.

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## Objective 3B: Postsecondary institutions receive the support they need to provide a high-quality education.

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Mere access to a postsecondary education is not sufficient to ensure equal education opportunities for all students. We also need to work with our postsecondary institutions to enable them to provide a high quality education and to provide the services and support students need to complete their educational objectives. While most postsecondary education will generate economic benefits to the student and the nation, the greatest benefits are derived when students obtain their degrees. Unfortunately, minority and low-income students are much less likely to complete their education. For example in 1997, 56 percent of full-time, degree-seeking white students completed a four-year degree within six years at the institution in which they first enrolled compared to only 36 percent of black students and 39 percent of Hispanic students. In addition, it is becoming increasingly important for U.S. students to be knowledgeable about other countries, economies and languages. However, only a small percentage of U.S. undergraduates obtain any study abroad experience, and even fewer students study abroad for a semester or more.

### Performance Indicators and Targets

1. *Completion rates for 75 percent or more of postsecondary institutions will increase or remain the same.*
2. *The number of full-time degree-seeking students in postsecondary institutions who study abroad will continuously increase, as will the proportion of those studying abroad who are minority students.*
3. *Participants receiving support services through colleges in the TRIO programs will complete their postsecondary education programs at rates higher than comparable non-participants.*

### Our Role

The Department provides funds to help ensure that disadvantaged students have access to high quality institutions. Funds are also provided to help ensure that disadvantaged students receive the services they need to enable them to complete college and enter graduate school. In addition, the Department plays a strong leadership role in promoting high quality postsecondary education both through innovation provided by programs like the Fund for the Improvement of Postsecondary Education (FIPSE) and Learning Anytime Anywhere Partnerships (LAAP) and through numerous outreach activities. The development of international expertise and foreign language competence is supported through the Department's International Education and Graduate Program services; through FIPSE, we also support the development of innovative partnerships between U.S. and foreign postsecondary institutions to promote student mobility.

### Core Strategies

- **Providing needed support to institutions and students**
  - The Aid for Institutional Development, Developing Hispanic-Serving Institutions (HSIs), and Howard University programs help enable institutions serving high percentages of minority and disadvantaged students to provide these students a high quality

postsecondary education. In addition, funds allocated to Gallaudet University and the National Technical Institute for the Deaf help provide postsecondary education opportunities to deaf students.

- Help ensure resources are provided to Historically Black Colleges and Universities (HBCUs) and HSIs through active monitoring by ED's Office of Civil Rights of Higher Education of desegregation enforcement agreements with individual states.
- Enhance support for the Student Support Services (SSS) and McNair Postbaccalaureate Achievement programs that provide disadvantaged college students with the services needed to help them complete college and prepare for doctoral studies. In addition, per student funding levels will be increased in the SSS program to help implement recommendations from the national evaluation that found that the provision of higher levels of service led to greater educational impacts. (See Objective 1D for programs designed to help students gain entry to college).
- Continue to provide support through the Demonstration Projects to Ensure Students with Disabilities Receive a High Quality Education program to help develop innovative, effective, and efficient teaching methods and other strategies to enhance the skills and abilities of postsecondary faculty and administrators in working with disabled students.
- Support initiatives, like the College Completion Challenge Grants and the Dual Degree Program, that will aid low-income and minority students in completing college and entering graduate school.
- Support the improvement of teacher education through Teacher Quality Enhancement Grants. (See Objective 2B for a more detailed discussion).

■ **Playing a leadership role in postsecondary education**

- Implement the findings of the Agenda Project to set the postsecondary agenda through 2005. This project has used input from stakeholders to determine how the Department can better serve students, schools, educators, and all others with a stake in postsecondary education.
- Work collaboratively with our postsecondary education partners to find possible ways to reduce the cost, complexity, and burden to institutions and students of participating in Federal student aid programs; to describe the appropriate Federal role in financial aid administration given the mix of Federal, state, institutional and private fund sources; and to disseminate information on best practices to the higher education community.
- Use funds provided by the GPRA Data/Evaluation program to conduct studies and work with our program grantees to improve performance measurement and evaluation for the higher education programs.
- Promote the effective and efficient use of distance education as a means for delivering postsecondary education through the LAAP program as well as by monitoring and anticipating the effects that technology may have on both postsecondary education and our programs.
- Continue to support the FIPSE program to provide models for innovative reform and improvement that other postsecondary institutions can utilize to improve their performance.
- Assist institutions of higher education to emphasize international education as part of the undergraduate experience and to make international educational opportunities available to a broader range of U.S. students, both through on-campus programs and study abroad.

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## Objective 3C: Postsecondary student aid delivery and program management is efficient, financially sound, and customer-responsive.

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The Student Financial Assistance (SFA), Performance-based Organization (PBO) was established in December of 1998 to improve the management of the student financial aid delivery system. A PBO is a results-driven organization created to deliver the best possible services—it is a new way of getting things done in the public sector. It establishes incentives for high performance and accountability for results, while allowing more flexibility to promote innovation and increased efficiency.

### Performance Indicators and Targets

1. *Increase customer satisfaction to a comparable private sector industry average as measured by the American Customer Satisfaction Index by FY 2002.*
2. *Reduce Student Financial Assistance's actual unit cost from projected costs by 19 percent by FY 2004.*
3. *Improve Student Financial Aid's ranking of employee satisfaction in the National Performance Review's (NPR) Employee Opinion Survey from 38<sup>th</sup> to one of the top five by FY 2002.*
4. *Improve the integrity of the student financial aid programs.*

### Our Role

The Department of Education works with approximately 6,000 postsecondary institutions, 3,900 lenders, and 36 guaranty agencies to deliver over \$51 billion in grant, loan and work-study assistance to about 8.4 million students who rely on Federal student aid to pay for higher education.

### Core Strategies

The PBO is implementing hundreds of actions designed to help ensure that we meet our four basic performance targets. Following below are some of the core actions currently being undertaken. Actions have been grouped under a single performance area although many will help in multiple areas. SFA prepares a Quarterly Report that provides the status of each of the listed activities. These reports will continued to be shared with students, schools, financial institutions, higher education associations, Congress, employees and others.

#### ■ **Increase customer satisfaction**

- Ensure call center (1-800-4FEDAID) answers 95 percent of all phone calls and that the call center is consistently ranked a 4 out of 5 for courtesy, answer speed and overall service in our continuous call center customer satisfaction survey.
- Process loan consolidations in 50 days or less.

- Process Free Applications for Federal Student Financial Aid (FAFSAs) within an average turnaround time of seven days or less.
- Resolve 93 percent of school audits within six months of receipt.
- Process 98 percent of Pell Grant origination and disbursement records within 24-36 hours.
- Process 96 percent of reimbursement requests within 30 days.
- Process 98 percent of Direct Loan origination and disbursement records within 2 days.
- Establish a Web Portal for students that will provide one-stop access to Student related online services (June 2001).
- Launch a single, “toll-free, one-call does it all” number for student customer service that will allow access to any call center (September 2001).
- Release FAFSA on the Web version 5.0 in time for the 2001-2002 application cycle to make application completion easier for users, while increasing performance and scalability (January 2001).
- Create new products/service delivery approaches that increase the amount of student aid related information available to non-English speaking students and parents (June 2001).
- Release versions 2 and 3 of the School Portal. Versions will provide increased personalization, links to operating web sites, direct access to operating systems, on-line submission and corrections and query and downloading of available data (v2, March 2001; v3 September 2001).
- Provide each school with a single SFA point of contact: a place they can always call to get their questions answered (November 2000).
- Choose an operating partner to assist in building a common business process and system for aid-origination and disbursement (September 2001).
- Eliminate Mid-Term Financial Transcripts (July 2001).
- Provide Direct Loan schools with results of on-line entrance counseling electronically, eliminating the need for borrowers to print results and provide to schools (November 2000).
- Establish a web portal for Financial Partners to provide one-stop access to SFA services and information (September 2001).
- Implement and monitor at least four voluntary flexible agreements for program participation. Launch all four no later than November 30, 2001.
- Design and implement improvements to the core business functions including electronic business-to-business solutions for lender submission of payment forms.

■ **Decrease unit costs**

- Maintain the Default Recovery Rate at 10 percent or higher by improving collections on defaulted loans.
- Establish program and multi-year goals to further reduce the cohort and lifetime default rates based on the “Fall Repayment Symposium.”
- Increase the number of FAFSA’s filed electronically from four million to five million in FY 2001.
- Retire the Central Data System transferring the necessary technology to other systems (March 2001).
- Increase the number of consolidation applications filed electronically by 50 percent in FY 2001.
- Reduce overall volume-adjusted operating costs for systems migrated to the consolidated data center by five percent (by September 2001).

- Provide continued support to Channels for the design and development of Modernization Projects by achieving 90 percent of the major milestones approved by the Information Technology Investment Review Board (See Sequencing Plan summarized in the Appendix of the Modernization Blueprint).
- **Increase employee satisfaction**
- Modify procedures to expedite recruitment process (June 2001).
  - Implement new employee incentives and recognition programs that support the performance plan.
  - Implement SFA Performance Development Process.
  - Design and deliver a course on student aid traditions to all SFA employees that results in a renewed connection with SFA’s history and mission, and strong links to the PBO’s mission and standards.
  - Design and deliver a course on “SFA Front-to-Back” that will explain all the steps and processes involved in delivering financial aid.
  - Expand SFANet (the SFA Intranet) to make it not only SFA’s central communications tool, but THE transaction tool for SFA internal business—like ordering IT equipment, travel reimbursement forms, etc.
- **Improve integrity**
- Maintain the Cohort Default Rate at a level under 8 percent.
  - Obtain an unqualified opinion on the FY 2000 SFA financial statement audit.
  - Close all outstanding SFA-related financial audit recommendations.
  - Complete work on SFA-related computer security recommendations made by the IG.
  - Increase oversight efforts by increasing Program Reviews by 20 percent. In FY 2000 we performed approximately 130 on-site reviews.
  - Demonstrate enhanced SFA financial management through new IT systems, more professional staff, improved processes, stronger internal controls, and robust financial reports.
  - Implement fully the National Directory of New Hires database matching program to enhance default recoveries and resolutions.
  - Continue to work with the Internal Revenue Service on the feasibility of matching application and tax data to reduce error and fraud in the distribution of student aid benefits.
  - Educate the foreign school community about SFA program requirements to reduce non-compliance. (Examples of possible efforts include: developing a Student Financial Aid Handbook for Foreign Schools, providing additional training, and so forth.)
  - Implement a pilot program with the national student loan clearinghouse to better track student enrollment at foreign schools. The pilot will basically test procedures/processes that require the Guaranty Agencies to check enrollment status of the student prior to disbursement. Timing and technology constraints made this difficult in the past.
  - Conduct a pilot with four Guaranty Agencies to evaluate centralized processing of death and disability claims. Centralized processing will provide more consistent processing procedures, concentrated expertise, and more efficient follow-up for investigations.
  - Conduct further analysis of the remaining 1,000 or so, death and disability discharges identified in the IG audit (approximately 80 percent of the original cases identified were not problematic) and recommend appropriate actions.
  - Implement final regulations covering death and disability charges.



## Note about Systems Modernization

To achieve better service, as well as the statutory requirements detailed in the PBO legislation, SFA must integrate and modernize its existing stovepiped, mission-critical, databases from the best-in-business practices in the financial sector, SFA will utilize middleware to create applications that are focused on each customer channel and draw from common data that are stored only once. Many of the activities provided above cannot be successfully completed without modernizing our legacy systems.

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## Objective 3D: All adults, especially educationally disadvantaged adults and individuals with disabilities, will strengthen their literacy skills or employment-related skills to improve their earning power through lifelong learning.

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Educationally disadvantaged adults are individuals: (1) who have not received a high school diploma or equivalent, or (2) whose native language is other than English and who are in need of basic English literacy skills. Today, more than 44 million adults in this country do not have a high school diploma or equivalent. In 1992, the National Adult Literacy Survey found that approximately 40 to 44 million individuals aged 16 and older (out of a total adult population of 164 million) lacked basic proficiency in the English language. We can see the effect of that skill gap today. Large numbers of employers report difficulty in finding workers with the necessary combination of academic, technical, and interpersonal skills—especially in high-tech fields. Furthermore, the income gap between those with a good education and those without has been increasing for 25 years.

Under the Vocational Rehabilitation (VR) State Grants Program, an individual with a disability is a person whose physical or mental impairment results in a substantial impediment to employment and who can benefit from the provision of vocational rehabilitation services. Individuals with disabilities face numerous barriers to employment and are more likely to be unemployed or underemployed than individuals without disabilities. Data from the U.S. Census Bureau (1999) on the civilian labor force status of individuals 16 to 64 years of age show an unemployment rate of 10.9 percent for individuals with a work disability compared to 4.4 percent for individuals without a work disability. For individuals with a severe work disability in the same age group, the unemployment rate was 17.8 percent. In addition, preliminary findings from the Longitudinal Study of the Vocational Rehabilitation (VR) Services Program indicate that investments in improving the educational achievement of VR consumers greatly enhance employment outcomes and earnings. The median average hourly wage for competitively employed VR consumers was \$7 per hour. Competitively employed consumers had an average reading achievement level of 8.5 grades and math achievement level of 7.8 grades. However, those who earned more than \$9 per hour had reading levels of 10.3 grades and math levels of 9.9 grades.

Objective 3D focuses on the provision of educational and employment opportunities and transitions to work for adults—through adult basic education or vocational rehabilitation—to help them acquire the skills and knowledge needed for their careers and to increase the number of their productive years. In addition to benefiting the individual worker, the economy as a whole will be strengthened through the creation of a more flexible, literate, and highly trained work force.

### Performance Indicators and Targets

1. *By 2005, 63 percent of all persons who receive vocational rehabilitation services will obtain employment.*
2. *By 2005, 40 percent of adults who enroll in adult education to complete high school will earn a diploma or GED credential.*

3. *By 2005, 40 percent of adults in beginning-level Adult Basic Education programs will complete that level and achieve basic skills proficiency.*
4. *By 2005, 40 percent of adults in beginning English as a Second Language will complete the introductory level and achieve basic English literacy.*

## Our Role

The Department of Education supports lifelong educational and training opportunities to improve the literacy, academic, and employment-related skills of educationally disadvantaged adults and individuals with disabilities across the country. The objectives are to be achieved through a number of programs authorized by the Workforce Investment Act, Titles II and IV (the Adult Education and Family Literacy Act and the Rehabilitation Act Amendments, respectively); Higher Education Act Title IV; Carl D. Perkins Vocational and Technical Education Act; and the Elementary and Secondary Education Act, Title I, Part B (Even Start), among others.

## Core Strategies

### ■ **Strengthening accountability**

- The Office of Vocational and Adult Education (OVAE) will implement an outcome-based National Reporting System (NRS) for the state-administered, Federally funded adult education program. Using a common set of outcome measures and uniform data collection system, the NRS will measure and document learner outcomes resulting from adult education instruction.
- The Rehabilitation Services Administration (RSA) will continue to strengthen its new state monitoring system based on performance outcomes and meetings with program stakeholders to gather input on how it can enhance the utility of its monitoring reports.

### ■ **Improving program performance**

- Help states and communities provide limited English proficient adults with expanded access to high-quality ESL programs through the English Literacy and Civics Education initiative. Programs provide civics instruction to adults to help them understand and navigate the U.S. government system, public education, workplace, and other key institutions.
- Assess the effectiveness of instructional techniques and program practices developed to serve Adult Basic Education and English as a Second Language learners.
- Collaborate with the Office of Juvenile Justice and Delinquency Prevention in the U.S. Department of Justice to create a national research center concerning juvenile offenders with learning and other disabilities. The Center will focus on the delivery of improved literacy and transition services to incarcerated young adults.

### ■ **Using technology and assistive technology to improve education, employment, and independent living outcomes.**

- Support a multiyear initiative to extend access to adult basic education and literacy services to adult learners within their homes, workplaces, and communities.
- Expand the use of distance learning technologies.
- Increase the provision of assistive technology for individuals with disabilities in order to remove barriers to education, employment, and independent living.

- Support the Assistive Technology Program to provide grants to states to establish alternative loan programs enabling individuals with disabilities to borrow funds to purchase assistive technology.
  - Support research and demonstration activities that will increase the accessibility of information technology, telecommunications, and assistive technology through the National Institute of Disability and Rehabilitation Research.
- **Increasing public awareness**
- Demonstrate to employers, unions, and employees the economic benefits of improving workers’ literacy skills to enhance workplace performance. Collaborate with the U.S. Conference Board on projects such as *“Turning Skills into Profit: Economic Benefits of Workplace Education Programs.”*
  - Launch the High Skills Communities Initiative, a recognition program to acknowledge communities for their local capacity-building efforts around adult education and literacy.
  - Disseminate the findings of the VR Longitudinal Study to demonstrate the benefits of providing VR services to individuals with disabilities.
- **Providing technical assistance and training**
- Support a professional development initiative designed to help state and local staff implement continuous program improvement strategies and to meet the accountability requirements of the Workforce Investment Act (WIA). Planned activities include the development of a university-based Executive Leadership Training Institute; a listserv focused on program management issues; a Web site on professional development issues and resources; and a state administrators national forum.
- **Improving employment opportunities for individuals with disabilities**
- Implement performance standards to increase accountability of state VR agencies in assisting individuals with disabilities to achieve high-quality outcomes.
  - Fund demonstration projects testing a variety of models for enhancing the basic reading and math skills of individuals with disabilities so that they may substantially increase their earnings.
  - Develop coordinated approaches with other Federal agencies (Department of Labor, Social Security Administration, Department of Health and Human Services) that affect employment opportunities for individuals with disabilities.
  - Conduct rehabilitation research, demonstration, and training activities through the National Institute on Disability and Rehabilitation Research to improve employment opportunities for individuals with disabilities.

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## Goal 3. External Factors and Management Challenges

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**External Factor: Access to postsecondary education depends on student preparation and desire as well as affordability.**

**Response:** Objective 1D describes the steps being taken to help ensure that all students are prepared for postsecondary education. The affordability of postsecondary education depends not only on the amount of student financial assistance provided by the Federal government but also on decisions made by states, postsecondary institutions, and other organizations concerning what students are charged to attend school and the amount of non-Federal student aid made available. The Department will also continue to publish information concerning postsecondary institutions so consumers can make cost-effective enrollment decisions.

**External Factor: General economic conditions will affect achievement of many of our postsecondary objectives.**

**Response:** If there is an economic downturn, postsecondary affordability will likely decline and debt burden increase. The Department incorporates expected future economic conditions into our forecasts of funding requirements for the Title IV student aid programs.

**External Factor: The target population of adult education programs is very difficult to reach.**

**Response:** The Department's goals concerning adult education target the most educationally disadvantaged adults, including those with learning disabilities and English as a Second Language (ESL) learners who have limited literacy skills in their native language. Providing services that produce literacy gains for these adults is very difficult, but the Department is pursuing a number of strategies targeting this population. Studies of adult basic education and English as a Second Language identify effective instructional practices and ensure a more effective diagnosis of learning disabilities.

**External Factor: Technological advances have the potential to change postsecondary education and, consequently, the Department's programs.**

**Response:** Distance education is a growing phenomenon in higher education—between fall 1995 and 1997-98, the percentage of higher education institutions offering distance education courses increased by about one-third, from 33 percent to 44 percent—which many feel will radically alter how postsecondary education is delivered in this country. While it is difficult to anticipate the exact nature of these changes, as discussed in Objectives 3A and 3B, the Department is promoting the effective use of distance education in postsecondary education through the Learning Anytime Anywhere Partnership program and evaluating changes in the administration of the student aid programs that may be needed to accommodate distance education through the Distance Education Demonstration program.

**External Factor: The effective administration of the student aid programs is one of the largest management challenges facing the Department.**

**Response:** As discussed in Objective 3C, the creation of a Performance-Based Organization (PBO) to operate the student aid programs is an indication of the importance placed on improving the management of the student aid programs. The PBO is seeking to improve financial aid delivery through a focus on customer needs with state of the art products and services, integration of its legacy systems, and development of a more robust financial management system. Recently, Student Financial Aid announced the first-ever, “share in savings” contract where the contractor bears all the risk and is paid a percentage of the savings it helps create. The contract will integrate Central Data System functions with other computer systems—eliminating one of our legacy systems. This will have the effect of reducing loan servicing costs by \$40 to \$50 million by FY 2004.

**External Factor: An effective Title III program necessitates implementation of GPRA requirements.**

**Response:** Another management challenge in postsecondary education concerns the Title III program. A recent Inspector General audit report critiques the Department’s implementation of GPRA requirements for the Title III programs pointing out several areas of weakness. The Education Department is currently undertaking a series of tasks to respond to the problems noted in the Inspector General’s audit report.

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## Goal 3. Strengthening Coordination

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The Department of Education coordinates with a number of other Federal agencies in order to achieve Goal 3:

- **Tax Credits:** The Student Financial Assistance Programs work with the Treasury Department to help ensure that tax credits and student aid complement each other in reducing the net price of a postsecondary education for families and students. The newly proposed College Opportunity Tax Cut in conjunction with the already available Hope Scholarship and Lifetime Learning tax credits will reduce the Federal income tax liability of those enrolled in postsecondary education. Other examples of Federal tax-related efforts to help students and their families pay for college include tax-free investments for college such as Series EE U.S. Savings bonds, and tax-preferenced college savings vehicles, including the Education IRA.
- v **Debt Collection.** The Department works with the Treasury Department to collect payments from student loan defaulters. As reflected in Treasury's Draft Strategic Plan goal to "collect revenue due to the Federal government," our objective is to improve Federal non-tax debt collection while increasing the protection of taxpayer rights and privacy.
- **Affirmative Action.** The Department of Education will coordinate with the Department of Justice concerning the lawful use of affirmative action in education.
- **International Education Policy:** The Department works with the Department of State and other Federal agencies to implement a directive on international education policy designed to meet the twin challenges of preparing U.S. students for a global environment and continuing to attract qualified postsecondary students from abroad. Four interagency teams are developing strategies in the areas of study abroad and exchanges (including addressing regulatory barriers), foreign language learning, educational technology and distance learning, and comparative educational practice and benchmarking.
- **Assistance to Minority-Serving Institutions:** The Department works with the White House Initiative on Historically Black Colleges and Universities (HBCUs), Educational Excellence for Hispanic Americans, and Tribal Colleges to coordinate assistance being provided across the Federal government to these institutions.
- **Data Matches:** The PBO conducts numerous data matches with other agencies including Selective Service, Social Security, Veterans Affairs, Treasury, and Immigration and Naturalization in order to more effectively and efficiently operate and manage the student aid programs. These matches promote the financial integrity of the student aid programs by helping ensure that Title IV funds only go to eligible students.
- **Lifelong Learning:** In working to achieve Objective 3D, the Department coordinates in implementing the Workforce Investment Act (Department of Labor); providing appropriate School-to-Work transition services for students with disabilities (Department of Labor and the National School-to-Work Office); implementing the Ticket-to-Work and Work Incentives Improvement Act of 1999 (Social Security Administration); creating a national research center focusing on juvenile offenders with learning and other disabilities (Department of Justice); addressing disincentives to work that affect Social Security Administration beneficiaries (Social Security Administration); and increasing access to educational services

for clients of the Temporary Assistance for Need Families (TANF) Program (Department of Health and Human Services).

- v **Seamless Access to Services:** The Department collaborates with the Department of Labor and other Federal agencies to provide individuals in every community with streamlined access to a wide array of education and workforce development services through comprehensive One-Stop Career Centers established under Title I of the Workforce Investment Act. Through the One-Stop system, individuals can obtain information about the skills required for occupations in demand and assistance in identifying and obtaining the education and training they need to pursue these opportunities.



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## Goal 3: Evaluation Highlights

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Highlights of evaluation studies describing our progress in meeting the three major objectives in Goal 3 are as follows:

**Objective 3A: Postsecondary students receive the financial aid they need to pursue their educational aspirations.**

*The Economic Returns Study* uses data from Census and from the National Center for Education Statistics to estimate the return in terms of increased tax revenue and decreased welfare costs attributable to the Student Financial Assistance programs.

*Debt Burden Analyses* combine data on loan borrowing from the Department's National Student Loan Data System with income data from the Social Security Administration and Internal Revenue Service to measure the percent of borrowers' income required to meet their Federal student loan obligations.

**Objective 3B: Postsecondary institutions receive the support they need to provide a high quality education.**

*The Student Support Services (SSS) evaluation* is a longitudinal evaluation assessing the impact of TRIO's SSS program on college retention and graduation, grades, and transfer behavior from two-year to four-year institutions.

*GPR Data/Evaluation studies* are a series of projects being conducted using funds from the GPR Data/Evaluation program to improve the availability of information regarding the performance of a number of the higher education programs including the Learning Anytime Anywhere Partnership, Demonstration Projects to Ensure Students with Disabilities Receive a High Quality Education, Aid for Institutional Development, Developing Hispanic-Serving Institutions, and Fund for the Improvement of Postsecondary Education programs.

**Objective 3C: Postsecondary student aid delivery and program management is efficient, financially sound, and customer-responsive.**

*Customer Satisfaction Studies.* The Performance-Based Organization (PBO) created to deliver the Student Financial Assistance programs is using the *American Customer Satisfaction Index* to benchmark its customer satisfaction ratings against more than 170 private sector corporations and a number of other government agencies. The PBO is also augmenting the National Performance Review survey of employee satisfaction to identify and help resolve employee concerns.

**Objective 3D: All adults, especially educationally disadvantaged adults and individuals with disabilities, will strengthen their literacy skills or employment-related skills to improve their earning power through lifelong learning.**

*The Longitudinal Study of the Vocational Rehabilitation (VR) Services Program* is a longitudinal evaluation estimating the impact of VR program participation on recipient's long-term employment prospects.

*The What Works Study for Adult English as a Second Language (ESL) Literacy Students*, a comparative evaluation of effective instructional practices for adult ESL students who have low

native-language literacy skills, and *The Evaluation of Effective Adult Basic Education (ABE) Programs and Practices*, a study that is identifying and validating the key elements of effective programs and instruction for low-literate adult learners, are both designed to help identify new approaches for improving adult literacy.

*Implementation of the Workforce Investment Act: Adult Literacy and Disability Perspectives* is designed to identify and report promising practices regarding cooperation and coordination between VR and WIA Title 1 programs and partners.