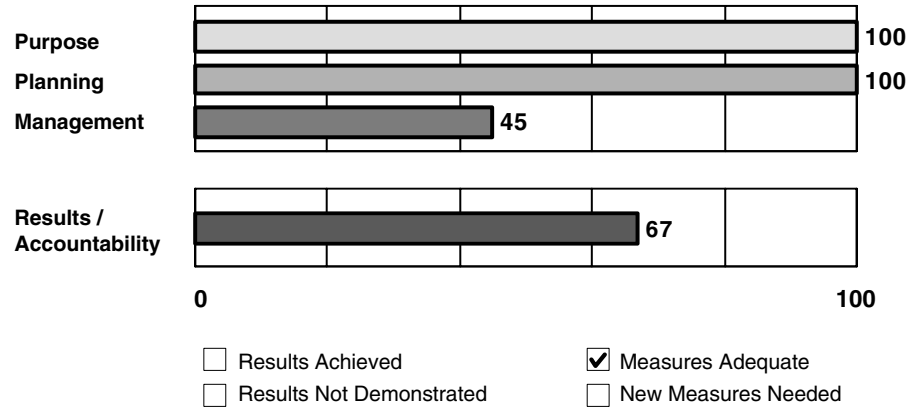


## Program: Federal Pell Grants

Agency: Department of Education

Bureau: Office of Postsecondary Education



### Key Performance Measures

|                                                                                                                        | Year | Target | Actual |
|------------------------------------------------------------------------------------------------------------------------|------|--------|--------|
| Long-term and Annual Measure:<br>Percentage of Pell Grant funds that go to students below 150 percent of poverty level | 2000 | >75%   | 78%    |
|                                                                                                                        | 2002 | >75%   |        |
|                                                                                                                        | 2003 | >75%   |        |
|                                                                                                                        | 2004 | >75%   |        |
| Long-term and Annual Measure:<br>College enrollment rates for all students after high school                           | 2000 |        | 63.3%  |
|                                                                                                                        | 2002 | 63.8%  |        |
|                                                                                                                        | 2003 | 64.1%  |        |
|                                                                                                                        | 2004 | 64.5%  |        |
| Long-term and Annual Measure:<br>Enrollment gap between low income and high income high school graduates               | 2000 |        | 28.3%  |
|                                                                                                                        | 2002 | 25.4%  |        |
|                                                                                                                        | 2003 | 23.5%  |        |
|                                                                                                                        | 2004 | 20.6%  |        |

## Rating: Moderately Effective

Program Type: Block / Formula Grants

### Program Summary:

Pell Grants are need-based financial aid to help students pay for undergraduate education. Pell Grants are the single largest source of postsecondary school student aid. The award is based on the cost of attendance (tuition, room and board, etc.), the student's or family's "expected family contribution" (based on income, assets, etc.), and whether the student attends school full or part time. Under the 2004 President's Budget request, the Pell Grant program will provide up to \$4,000 in grant aid to nearly five million students.

The PART assessment found:

1. The Federal Pell Grant program has a clear purpose, and provides a foundation of need-based aid for undergraduate students.
2. While the program has always targeted funding to needy students, low income and minority students continue to attend college at significantly lower rates than other students.
3. The Department of Education needs to improve its management of the program by ensuring that it has timely and reliable financial and programmatic data that can be used to support both day-to-day operations and long-term strategic planning.
4. Pell Grants, and other student aid programs, are prone to abuse, where students who under-report family income receive more aid than they are entitled. The Department estimates that net overawards in Pell total more than \$350 million annually.
5. The Department of Education's strategic planning efforts are strong.

To address these findings, the Administration will:

1. Maintain funding commitment to Pell Grants. The Budget significantly increases funding for the Pell program in order to maintain a \$4,000 maximum award for the increasing number of eligible college students.
2. Propose to amend the Internal Revenue Code to allow the IRS to match student aid data and tax data to prevent over-awards in Pell and other student aid programs.
3. Consider whether the upcoming reauthorization of the Higher Education Act (HEA) should add degree completion and persistence as performance measures for student aid programs and increase the HEA's focus on improving access to postsecondary education.

(For more information, see Department of Education chapter in Budget volume.)

### Program Funding Level (in millions of dollars)

| 2002 Actual | 2003 Estimate | 2004 Estimate |
|-------------|---------------|---------------|
| 11,314      | 10,863        | 12,715        |