



September 2018

DISTRICT OF COLUMBIA

Improved Reporting Could Enhance Management of the Tuition Assistance Grant Program

GAO Highlights

Highlights of [GAO-18-527](#), a report to congressional committees

Why GAO Did This Study

Congress funds DCTAG through an annual appropriation, which was \$40 million in fiscal year 2018. DCTAG provides D.C. residents up to \$10,000 per year to attend college.

The Consolidated Appropriations Act, 2017, included a provision for GAO to review DCTAG. This report examines, among other things, the characteristics of DCTAG recipients and steps taken by the program to support recipients, as well as the extent to which OSSE reports DCTAG's performance to internal and external stakeholders.

GAO assessed the most recent data available on DCTAG, covering academic years 2007–2016, as well as data on college graduation, tuition, and fees from the Department of Education's Integrated Postsecondary Education Data System for academic years 2007–2016, and data on enrollment in high schools and median household income in D.C. from the U.S. Census Bureau's American Community Survey for 2007–2016; interviewed representatives of DCTAG and the entities it partners with to support recipients; and reviewed relevant laws, the applicability of standards for internal control, and guidance on performance management.

What GAO Recommends

GAO recommends OSSE issue annual reports relating DCTAG's performance to program goals. In response to the recommendation, the Mayor stated that OSSE will expand annual reporting to include direct linkages and combine data points to better illustrate the program's performance.

View [GAO-18-527](#). For more information, contact Melissa Emrey-Arras at (617) 788-0534 or emreyarrasm@gao.gov.

September 2018

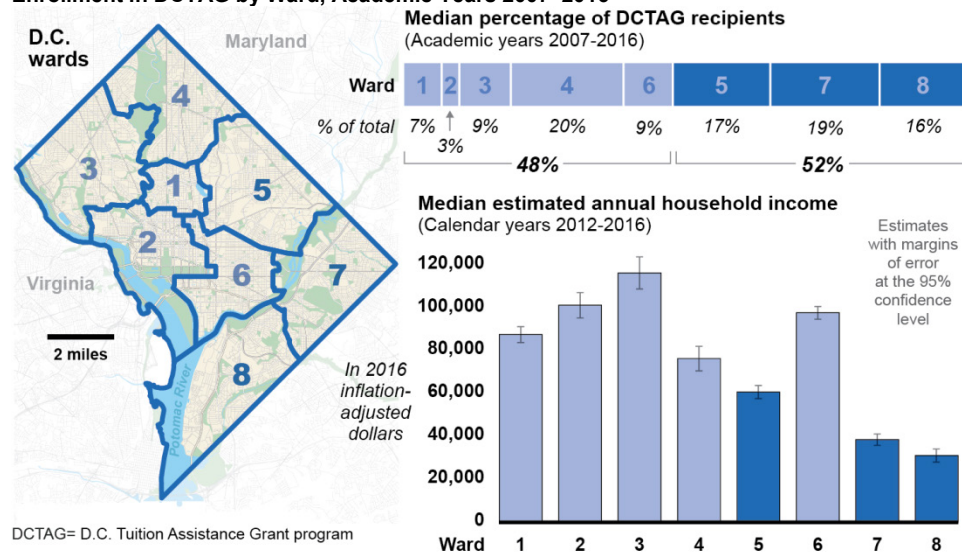
DISTRICT OF COLUMBIA

Improved Reporting Could Enhance Management of the Tuition Assistance Grant Program

What GAO Found

The federally funded District of Columbia Tuition Assistance Grant (DCTAG) program was created in 1999 to give college-bound District of Columbia (D.C.) residents greater choices among institutions of higher education. Since its creation, the DCTAG program has awarded over \$440 million to more than 26,000 residents to defray costs charged to out-of-state residents at some of the nation's public colleges and universities. While the program serves students from families with a wide range of household incomes, about half the students receiving a DCTAG award in academic years 2007–2016 came from the three D.C. wards with the lowest household incomes, as the figure below illustrates. DCTAG coordinates with public and private partners in the community to help students prepare for college, complete financial aid applications, and stay on track to graduate college.

Enrollment in DCTAG by Ward, Academic Years 2007–2016



Source: GAO analysis of data from the District of Columbia Office of the State Superintendent of Education, American Community Survey, and the District of Columbia Office of Planning (map). | GAO-18-527

Although the Office of the State Superintendent of Education (OSSE), which manages DCTAG on behalf of the Mayor of the District of Columbia, issues various annual reports, these reports do not relate program performance to the program's four goals. One of these goals is to help D.C. students make smarter college choices. OSSE officials stated that they regularly communicate information about DCTAG data and activities internally and externally. However, these efforts do not provide the context necessary for program managers, Congress, or the public to understand the program's goals, nor determine whether DCTAG is making progress toward meeting them. Standards for internal control state that program managers should communicate information that internal and external stakeholders need to help the program achieve its objectives. Absent an annual report relating performance to goals, DCTAG's stakeholders will be limited in their ability to assess the program's performance or identify opportunities to improve it.

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Abbreviations

ACS	American Community Survey
D.C.	District of Columbia
DCTAG	District of Columbia Tuition Assistance Grant Program
FAFSA	Free Application for Federal Student Aid
GED	General Equivalency Diploma
GPA	grade point average
HBCU	Historically Black Colleges and Universities
IPEDS	Integrated Postsecondary Education Data System
KPS	Kalamazoo Public Schools
OSSE	Office of the State Superintendent of Education
SAP	Satisfactory Academic Progress
STEM	Science, Technology, Engineering, and Mathematics

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September 6, 2018

The Honorable James Lankford
Chairman
The Honorable Christopher Coons
Ranking Member
Subcommittee on Financial Services and General Government
Committee on Appropriations
United States Senate

The Honorable Tom Graves
Chairman
The Honorable Michael B. Quigley
Ranking Member
Subcommittee on Financial Services and General Government
Committee on Appropriations
House of Representatives

Federal law created the federally funded District of Columbia Tuition Assistance Grant (DCTAG) program in 1999 to give college-bound District of Columbia (D.C.) residents more choices among colleges and universities.¹ Since its creation, DCTAG has awarded over \$440 million to more than 26,000 college-bound D.C. residents. The grants can help defray some costs associated with recipients' postsecondary education. For example, D.C. residents who attend public colleges and universities in other states may pay higher "out-of-state" tuition.² States generally provide financial support to their state university systems and can require public institutions to offer residents lower, "in-state" tuition. In contrast to these state university systems, which can include dozens of institutions serving hundreds of thousands of students, D.C. has a single public university. In fiscal year 2018, Congress appropriated \$40 million to fund DCTAG. While Congress funds DCTAG through annual appropriations, the Mayor of the District of Columbia manages the program through the Office of the State Superintendent of Education (OSSE).

¹DCTAG was created as part of a broader effort to stabilize the D.C. population and tax base, in this case by providing families an incentive to stay in D.C. rather than leave to pursue a broader range of higher education opportunities in other states. See District of Columbia College Access Act of 1999, as amended, Pub. L. No. 106-98, 113 Stat. 1323.

²We refer to colleges and universities as institutions throughout this report.

The Consolidated Appropriations Act, 2017, includes a provision for GAO to provide information about the performance of the DCTAG program.³ Specifically, the provision sought information on trends in eligibility, enrollment, performance, and outcomes, and asked for information on steps taken to provide support to current participants. In addition, the provision sought information on scholarship programs offered by other municipalities in the United States, including a comparison of participant requirements, outcomes, and funding sources.

In this report, we reviewed DCTAG and other selected state and local scholarship programs to:

1. Describe trends in the eligible population, enrollment, and college graduation rates for DCTAG.
2. Identify steps taken under the program to support recipients and address any challenges they may face staying on track to graduate.
3. Assess the extent to which DCTAG's performance is reported to program managers, Congress, and the public.
4. Describe other state and local scholarship programs with regard to participant eligibility, funding sources, steps to support recipients, and program outcomes.

To describe trends in DCTAG, we reviewed the most recent program data available, including data on enrollment in DCTAG for academic years 2007–2016 and 6-year graduation rates for recipients in academic years 2012–2015.⁴ To assess the reliability of program data, we interviewed OSSE officials about the processes used to produce these data and reviewed the programming codes used to extract them from OSSE's data system. We did not independently verify recipients' eligibility for DCTAG. We also used American Community Survey (ACS) data to produce estimates of D.C. household income and enrollment in D.C. high schools

³Consolidated Appropriations Act, 2017, Pub. L. No. 115-31, § 4, 131 Stat. 135, 137 (mandate incorporated by reference from S. Rep. No. 114-280 at 65).

⁴We refer to academic years as the end of the academic year. For example, we refer to academic year 2006–07 as academic year 2007. Six-year graduation rates reflect the percentage of DCTAG recipients who received their first grant in academic years 2007–2011 and graduated within 6 years. For example, the 6-year graduation rate for academic year 2012 reflects recipients who received their first grant in academic year 2007 and graduated by academic year 2012.

for calendar years 2007–2016.⁵ To assess the reliability of these estimates, we reviewed technical documentation for ACS. Because ACS is based on samples and therefore subject to sampling error, we present these estimates with their associated 95 percent confidence intervals.⁶ Lastly, to provide context for trends in DCTAG, we reviewed data on average tuition and required fees at 4-year public institutions for academic years 2007–2016 and average 6-year graduation rates for certain nationwide groups of students in academic years 2012–2016 from the Integrated Postsecondary Education Data System (IPEDS).⁷ To assess their reliability, we reviewed technical documentation on IPEDS. We determined that data from these three sources were sufficiently reliable for our purposes.

To identify steps taken to support recipients, we reviewed documents from OSSE describing support services offered to students either directly by DCTAG or by other entities within OSSE. For example, we reviewed documents describing services provided by OSSE’s Office of College and Career Readiness, which promotes college access and graduation for D.C. students. Additionally, we interviewed officials from OSSE and the stakeholders they partner with, including public and private school officials and representatives of college access providers, which generally are organizations that seek to expand access to higher education. These organizations included the D.C. College Access Program, a privately funded scholarship program, and the federally funded D.C. Educational Opportunity Center, which provides D.C. residents information, guidance, and counseling on opportunities to pursue education beyond high school.

⁵The American Community Survey is a nationwide survey conducted annually by the U.S. Census Bureau that collects and produces information on social, economic, housing, and demographic characteristics.

⁶Because the U.S. Census Bureau followed a probability procedure based on random selections, the ACS sample is only one of a large number of samples that they might have drawn. Since each sample could have provided different estimates, we express our confidence in the precision of the ACS sample’s results as a 95 percent confidence interval (for example, plus or minus 7 percentage points). This is the interval that would contain the actual population value for 95 percent of the samples the U.S. Census Bureau could have drawn. Confidence intervals are provided along with each sample estimate in the report. All ACS results presented in the body of this report are generalizable.

⁷IPEDS is administered by the Department of Education’s National Center for Education Statistics. Graduation rates in IPEDS measure the percentage of a postsecondary institution’s first-time, full-time undergraduate students who graduate from the same institution within 150 percent of the normal time. The National Center for Education Statistics defines the “normal” amount of time it should take to receive a bachelor’s degree as 4 years. See <https://nces.ed.gov/pubs2011/2011221.pdf>.

We also reviewed program documents for these partners to determine how DCTAG works through its partners to offer support services that can help recipients and potential applicants prepare for college, apply for financial aid, and stay on track to graduate college.

To assess the extent to which DCTAG's performance is reported, we interviewed OSSE officials and reviewed program documents and relevant federal laws. We used standards for internal control and information on performance management as criteria against which to assess these efforts. We also coordinated with the D.C. Office of the Inspector General to understand key management practices and requirements for D.C. government agencies. We did not assess the program's compliance with legal reporting requirements.

To describe other state and local scholarship programs, we reviewed a non-generalizable sample of three programs that target students in two municipalities and one state: the Boston Tuition-Free Community College Plan, Boston, Massachusetts; the Kalamazoo Promise, Kalamazoo, Michigan; and the Washington State Opportunity Scholarship, Washington. We selected programs to reflect diversity in program design and geography. We reviewed key program documents and interviewed managers of each program. We did not conduct an independent review of relevant state and local laws, regulations, and municipal orders; however, we coordinated with state and local audit offices as appropriate.

We conducted this performance audit from October 2017 to September 2018 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Background

Selected Eligibility Requirements for the District of Columbia Tuition Assistance Grant (DCTAG) Program

To be eligible for DCTAG, D.C. students must meet a number of eligibility requirements established in federal law or set by program managers:

- Reside in D.C. for 12 months preceding college and maintain residency in D.C. through graduation.
- Complete the Free Application for Federal Student Aid.
- Be accepted at an eligible college or university.
- Generally begin a course of study within 3 years of graduating high school or obtaining a General Equivalency Diploma.
- Be 26 or younger and meet the institution's requirements for Satisfactory Academic Progress.
- Come from families with annual taxable incomes less than \$762,000 (for academic year 2018). This amount is adjusted for inflation each year as measured by the Consumer Price Index for All Urban Consumers.

Source: District of Columbia College Access Act of 1999, as amended, Pub. L. No. 106-98, § 3(c)(2), 113 Stat. 1323, 1324-25, Consolidated Appropriations Act, 2016, Pub. L. No. 114-113, Title VII, § 818, 129 Stat. 2242, 2492-93, and documents from the District of Columbia Office of the State Superintendent of Education. | GAO-18-527

Note: For more information on eligibility requirements, see <https://osse.dc.gov/dctag>.

When DCTAG was created, there was no income eligibility requirement. However, in 2007, federal law limited eligibility to students from families with annual taxable incomes less than \$1,000,000.⁸ In 2015, federal law further limited eligibility to students from families with annual taxable incomes less than \$750,000; the law provided that this limit was to be subsequently adjusted for inflation as measured by the percentage increase, if any, in the Consumer Price Index for All Urban Consumers.⁹ For example, in academic year 2018, eligibility was limited to students from families with annual taxable incomes less than \$762,000 (see textbox for selected eligibility requirements).

Eligible D.C. students may receive up to \$10,000 per year toward the difference between in-state and out-of-state tuition at 2-year and 4-year public institutions.¹⁰ Additionally, eligible D.C. students may receive up to \$2,500 per year toward tuition at private Historically Black Colleges and

⁸An Act to Extend the District of Columbia College Access Act of 1999, Pub. L. No. 110-97, § 2, 121 Stat. 1013, 1013.

⁹Consolidated Appropriations Act, 2016, Pub. L. No. 114-113, Title VII, § 818, 129 Stat. 2242, 2492-93.

¹⁰Prior to academic year 2018, eligible students could only receive up to \$2,500 per year toward the difference between in-state and out-of-state tuition at 2-year public institutions.

Universities (HBCU) nationwide and other participating private nonprofit institutions in the D.C. metropolitan area.¹¹

Populations Eligible for and Enrolled in DCTAG Remained Relatively Stable as Amounts Awarded Increased and Recipients Graduated at Higher Rates than Selected National Comparison Groups

We identified the following trends in eligibility for and enrollment in DCTAG and graduation rates for recipients:

- **DCTAG’s potentially eligible population.** ACS data for calendar years 2007–2016 indicate that the population of high school students with incomes within DCTAG’s eligibility requirements has remained relatively stable. Over this time frame, about 25,000 students in D.C. were enrolled in high school each year, and about 90 percent of D.C. households had annual incomes less than \$200,000.¹² Additional households with annual incomes of \$200,000 and above were also likely eligible for DCTAG based on income.¹³

¹¹The Higher Education Act of 1965, as amended, defines part B institutions, or HBCUs, as any historically black college or university that was established prior to 1964, whose principal mission was, and is, the education of Black Americans, and that is accredited by a nationally recognized accrediting agency or association determined by the Secretary of Education to be a reliable authority as to the quality of training offered or is, according to such an agency or association, making reasonable progress toward accreditation. Additionally, any branch campus of a southern institution of higher education that prior to September 30, 1986, received a Strengthening HBCUs Grant and was formally recognized by the National Center for Education Statistics as a Historically Black College or University is also considered an HBCU. 20 U.S.C. § 1061. In addition to private HBCUs, participating private nonprofit institutions in the D.C. area for academic year 2018 included: American University, Catholic University of America, Gallaudet University, George Washington University, Georgetown University, and Trinity University in DC; Capitol College, Washington Adventist University, and Washington Bible College in Maryland; and Marymount University in Virginia.

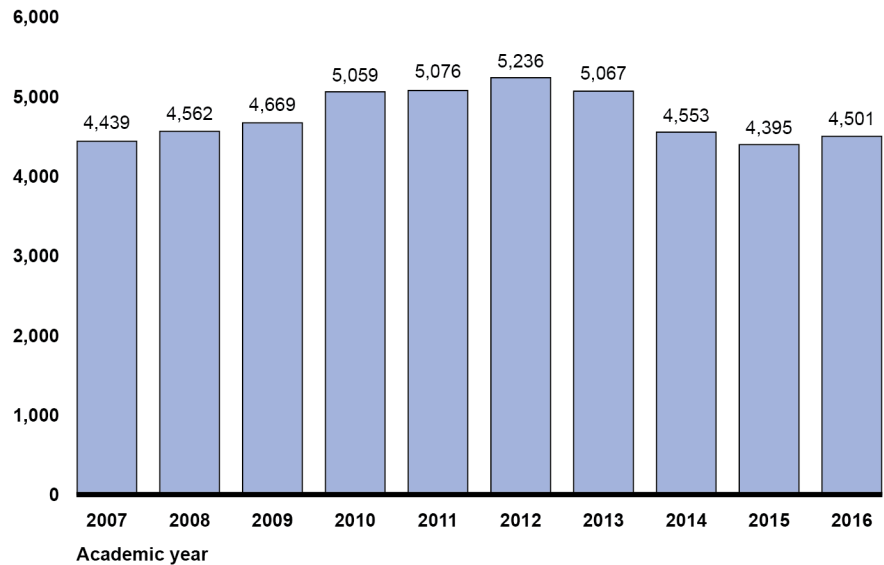
¹²The 95 percent confidence intervals for these estimates are (23,100, 27,600) and (83, 94), respectively.

¹³Publicly available ACS data do not indicate how many D.C. households with annual incomes of \$200,000 and above would meet DCTAG’s income eligibility requirement.

- **Enrollment in DCTAG.** DCTAG program data indicate that the number of DCTAG recipients remained relatively stable over the last decade. DCTAG provided awards to an average of about 4,750 recipients annually over academic years 2007–2016 (see fig. 1). While enrollment in DCTAG peaked in academic year 2012, the number of DCTAG recipients in academic year 2016, the last year in our period of review, was similar to the number of recipients in academic year 2007, the first year in our period of review.

Figure 1: Enrollment in DCTAG, Academic Years 2007–2016

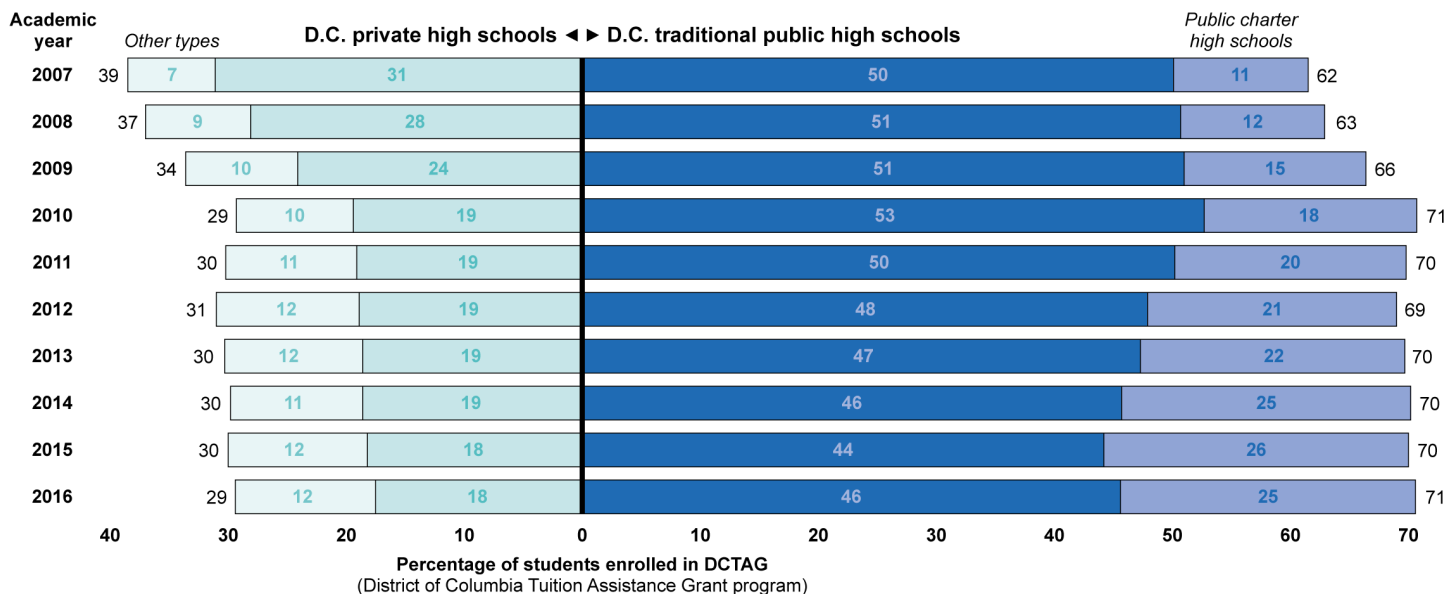
Number of D.C. Tuition Assistance Grant (DCTAG) program recipients



Source: Data from the District of Columbia Office of the State Superintendent of Education. | GAO-18-527

- Enrollment in DCTAG by type of high school attended.** DCTAG program data indicate the majority of recipients over academic years 2007–2016 graduated from D.C.’s public high school system—both traditional public schools and public charter schools. D.C.’s traditional public schools include six selective schools, or magnet schools, that limit admission to students that meet certain criteria or eligibility requirements. For example, in academic year 2016, more than 70 percent of DCTAG recipients graduated from D.C.’s public high school system (see fig. 2). Many DCTAG recipients have also graduated from private schools or schools outside D.C., were home schooled, or attained their General Equivalency Diploma. For academic years 2007–2016, between about 30 and 40 percent of DCTAG recipients came from high schools or programs outside the D.C. public school system.

Figure 2: Enrollment in DCTAG by Type of High School Attended, Academic Years 2007–2016

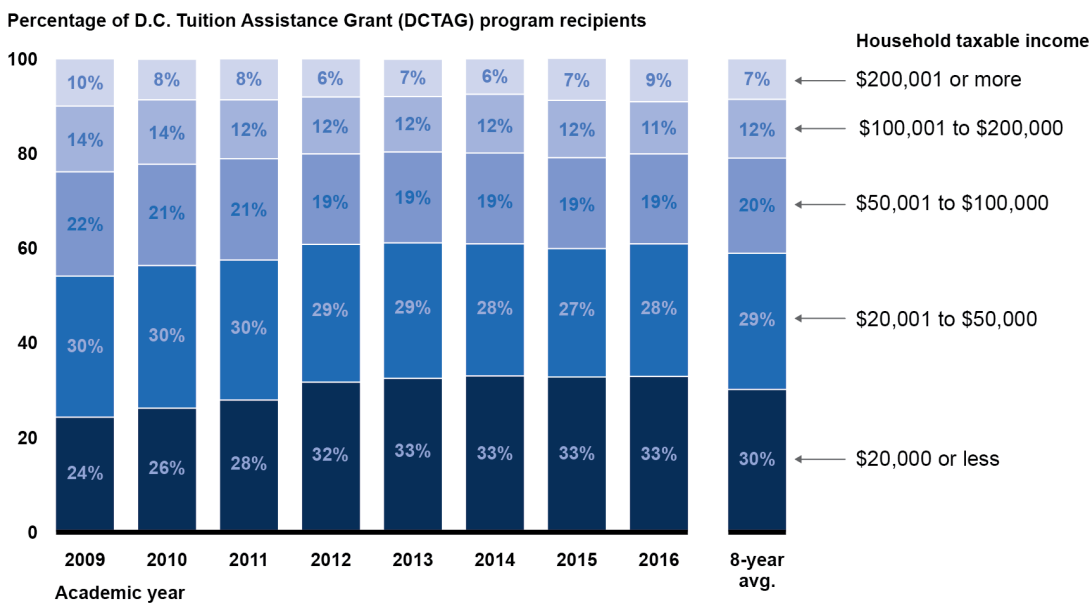


Source: Data from the District of Columbia Office of the State Superintendent of Education. | GAO-18-527

Note: Other types of schools include schools outside D.C., General Equivalency Diploma programs, home schooling, and unknown schools. Totals and subtotals may not add up to 100 percent due to rounding.

- Enrollment in DCTAG by taxable household income.** Although in 2007 federal law limited eligibility for DCTAG to students from families with annual taxable incomes less than \$1,000,000, DCTAG enrollment data show the program made awards to students from families with a wide range of household taxable incomes in academic years 2009–2016. At the same time, enrollment data indicate the program’s particular support for students from middle and lower income families. Nearly 60 percent of recipients over this time frame came from families with annual household taxable incomes of \$50,000 or less (see fig. 3).

Figure 3: Enrollment in DCTAG by Household Taxable Income, Academic Years 2009–2016

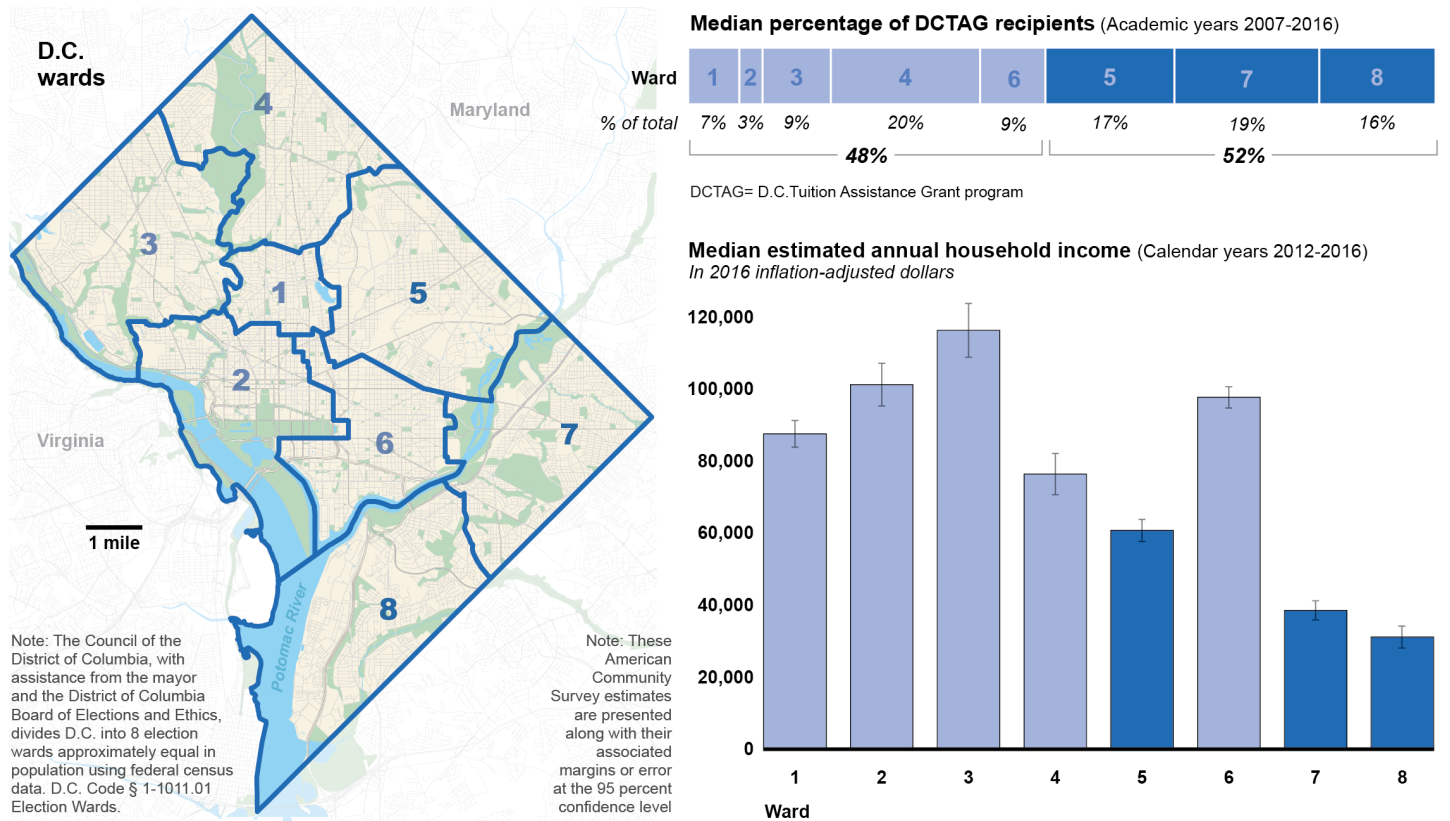


Source: Data from the District of Columbia Office of the State Superintendent of Education. | GAO-18-527

Note: Dollar amounts are not adjusted for inflation. Totals do not reflect recipients with unknown or negative taxable income and may not add up to 100 percent due to rounding.

- **Enrollment in DCTAG by Ward.** DCTAG program data indicate that for academic years 2007–2016, about 50 percent of recipients came from the three D.C. wards with the lowest median household incomes, according to American Community Survey estimates (see fig. 4).

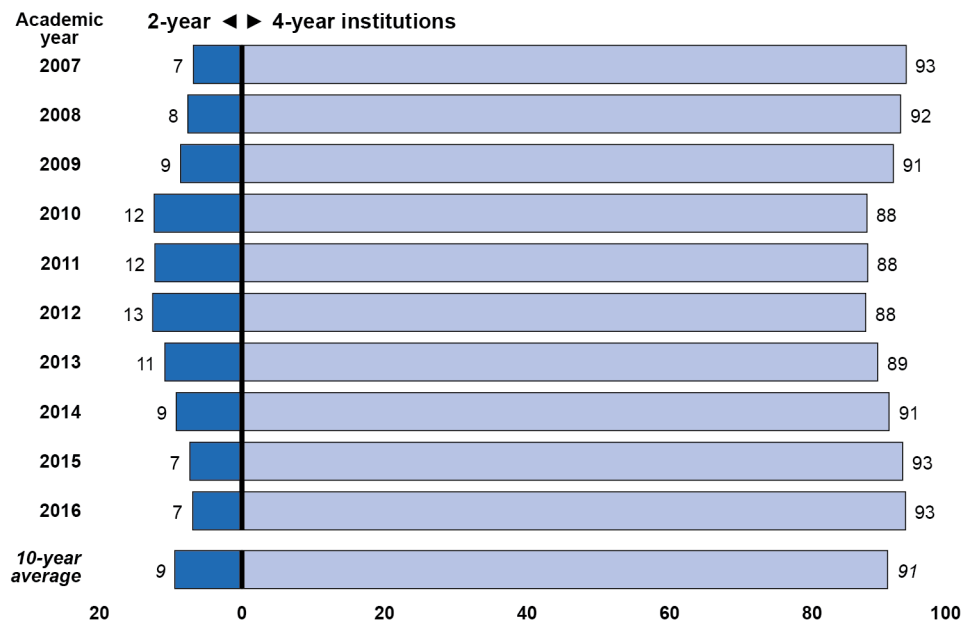
Figure 4: Enrollment in DCTAG by Ward, Academic Years 2007–2016



Source: GAO analysis of data from the District of Columbia Office of the State Superintendent of Education, American Community Survey, and the District of Columbia Office of Planning (map). | GAO-18-527

- Enrollment in DCTAG by attendance at 4-year and 2-year institutions.** DCTAG program data show that for academic years 2007–2016, about 90 percent of DCTAG recipients attended 4-year institutions (see fig. 5). To counter the downward trend in enrollment at 2-year institutions that began in academic year 2013, OSSE officials told us they made programmatic changes to DCTAG for academic year 2018. Specifically, OSSE officials told us they determined out-of-state-tuition at 2-year public institutions attended by DCTAG recipients exceeded in-state tuition by an average of \$4,500 per year. However, the maximum annual award for recipients attending these institutions was only \$2,500. For academic year 2018, OSSE officials said they increased the maximum annual award to attend 2-year public institutions to \$10,000 to close this gap.

Figure 5: Enrollment in DCTAG by Type of Institution Attended, Academic Years 2007–2016



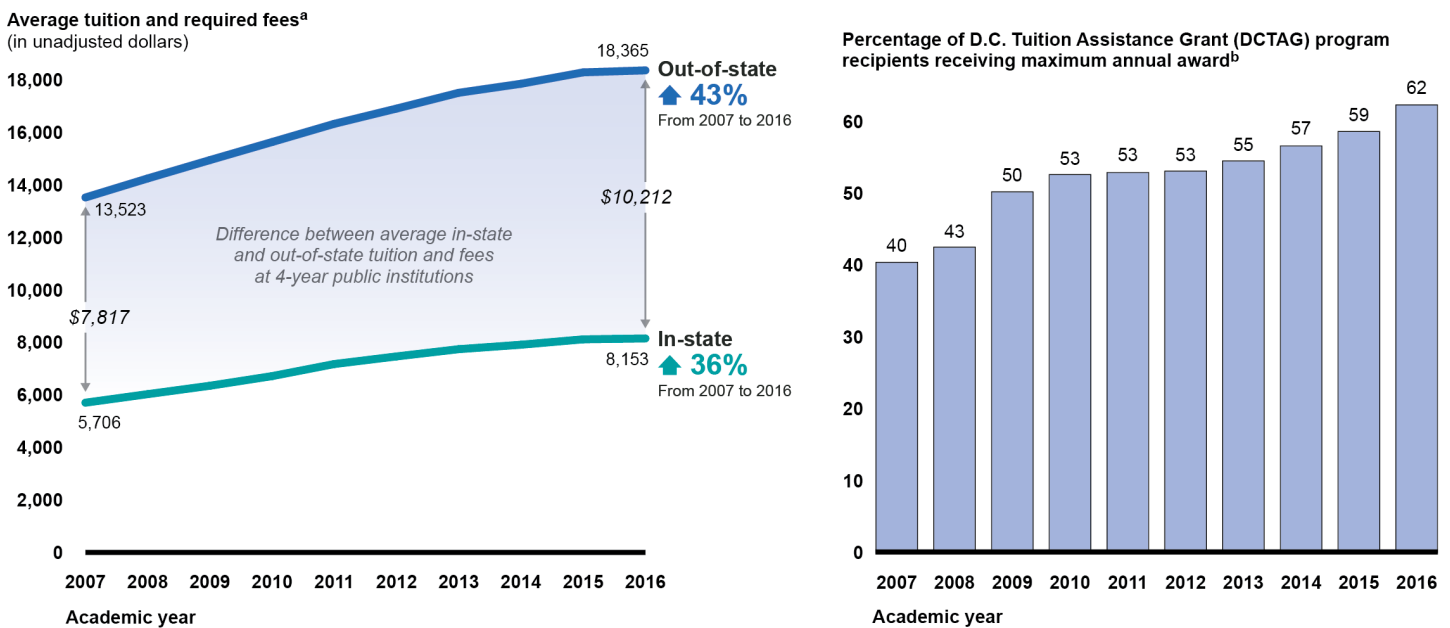
Percentage of students enrolled in DCTAG
(District of Columbia Tuition Assistance Grant program)

Source: Data from the District of Columbia Office of the State Superintendent of Education. | GAO-18-527

Note: Totals may not add up to 100 percent due to rounding.

- Enrollment in DCTAG by amount awarded.** For academic years 2007–2016, the percentage of recipients receiving DCTAG’s maximum annual awards increased from 40 percent to 62 percent (see fig. 6). OSSE officials linked an increase in the percentage of recipients receiving maximum awards to rising tuition at colleges and universities over this period. We analyzed data from IPEDS on average tuition and required fees at 4-year public institutions and our analysis confirmed that the average gap between out-of-state and in-state tuition exceeded DCTAG’s \$10,000 maximum annual award starting in academic year 2015.

Figure 6: Average Tuition and Fees at 4-Year Public Institutions and the Percentage of DCTAG Recipients Getting Maximum Annual Awards, Academic Years 2007–2016



Source: Data from the Integrated Postsecondary Education Data System and the District of Columbia Office of the State Superintendent of Education. | GAO-18-527

^aReflects published tuition and fees at 4-year public institutions.

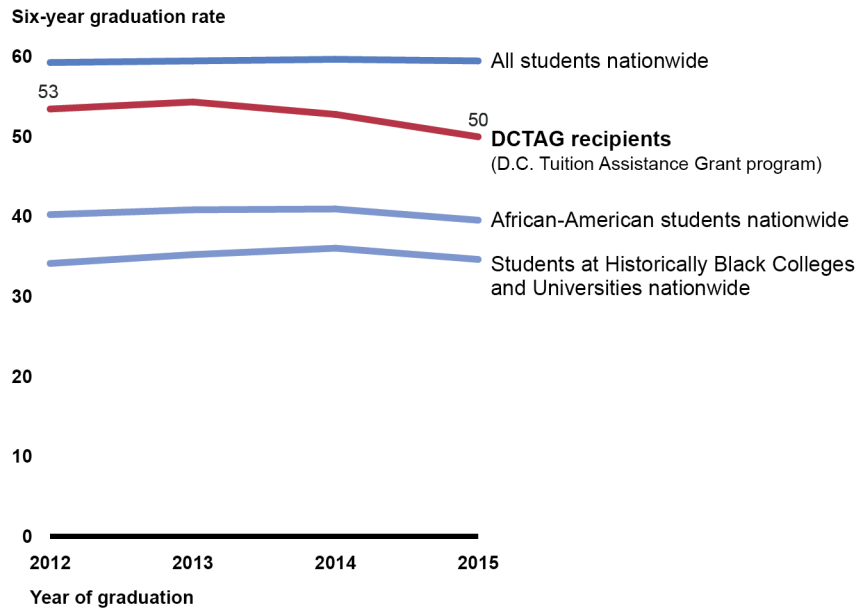
^bFor academic years 2007–2016, recipients could receive up to either \$10,000 per year to attend 4-year public institutions, or \$2,500 per year to attend 2-year public institutions or certain private nonprofit institutions.

-
- **DCTAG graduation rates.** College graduation rates are an important measure of performance for DCTAG. OSSE officials told us they maintain a program goal of helping recipients choose schools from which they are likely to graduate. For academic years 2012–2015, 6-year college graduation rates for DCTAG recipients were lower than those for students nationwide.¹⁴ However, OSSE officials reported that rates for recipients compare favorably to rates for national and regional groups of students with characteristics similar to those of DCTAG recipients. Our analysis confirmed that in academic year 2015, about 72 percent of DCTAG recipients were African-American and the DCTAG graduation rate was about 10 percentage points higher than for African-Americans nationwide. Similarly, in academic year 2015, nearly 40 percent of DCTAG recipients attended Historically Black Colleges and Universities (HBCU) and the DCTAG graduation rate was about 15 percentage points higher than for the nationwide population of students at these schools (see fig. 7). Additionally, OSSE officials estimated that more than 65 percent of DCTAG recipients were eligible for Pell Grants in academic year 2016.¹⁵ The National Center for Education Statistics recently started reporting graduation rates for Pell Grant recipients, beginning with the cohort of recipients that should have graduated by academic year 2016. Although not directly aligned, the academic year 2016 graduation rate for Pell Grant recipients nationwide was 48 percent—similar to the academic year 2015 graduation rate for DCTAG recipients.

¹⁴We report 6-year graduation rates as the last year in which members of a cohort could graduate within 150 percent of the “normal” completion time at 4-year institutions. For example, DCTAG’s academic year 2012 6-year graduation rate reflects DCTAG recipients who received their first grant in academic year 2007 and graduated within 6 years, by academic year 2012.

¹⁵The Federal Pell Grant Program provides need-based grants to low-income undergraduate and certain post-baccalaureate students to promote access to higher education.

Figure 7: Six-Year College Graduation Rates for DCTAG Recipients and Selected National Comparison Groups



Source: Data from the District of Columbia Office of the State Superintendent of Education and the Integrated Postsecondary Education Data System. | GAO-18-527

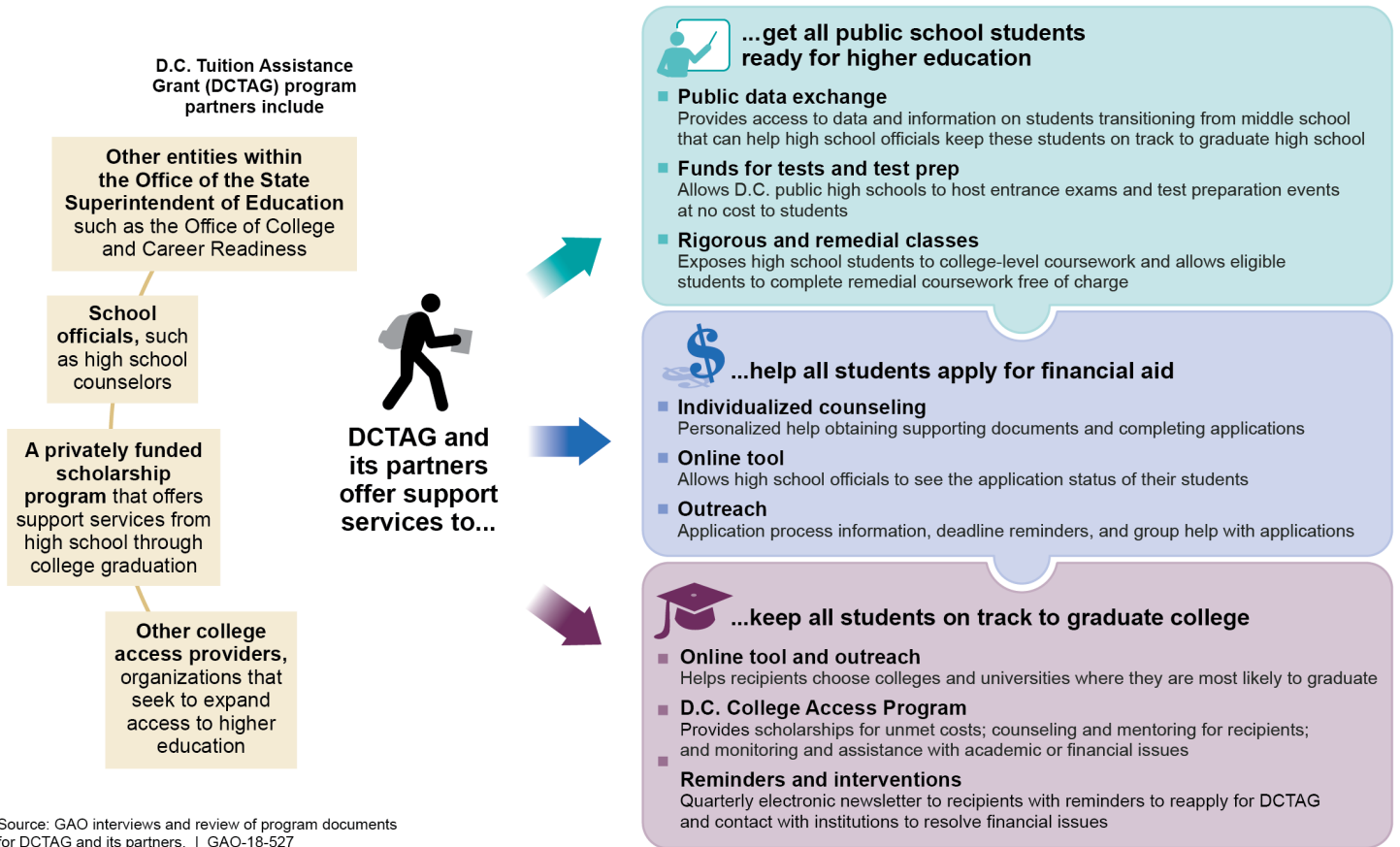
Note: Graduation rates in IPEDS measure the percentage of a postsecondary institution's first-time, full-time undergraduate students who graduate from the same institution within 150 percent of normal time. These data do not include transfer students. The National Center for Education Statistics defines the "normal" amount of time it should take to receive a degree as 4 years for a bachelor's degree. See <https://nces.ed.gov/pubs2011/2011221.pdf>. DCTAG data include part-time and transfer students.

DCTAG and Its Partners Help Recipients Prepare for College, Complete Applications for Financial Aid, and Stay on Track to Graduate

DCTAG partners with other entities to offer support services intended to help D.C. students prepare for college, apply for financial aid, and stay on track to graduate college. These partners include other entities within OSSE, as well as partners in the broader community such as public and private high school officials and college access providers.¹⁶ DCTAG provides some support services directly to students, such as individual counseling on how to complete a DCTAG application (see fig. 8). An OSSE official told us that DCTAG counselors instruct applicants and renewing recipients on tasks such as how to obtain required supporting documents to verify their residency in D.C. Additionally, to keep recipients on track to graduate, DCTAG emails recipients a quarterly newsletter with reminders to reapply for DCTAG and federal student aid so that they do not disrupt their studies by losing financial assistance. OSSE officials also said that DCTAG expands the reach of its support services by partnering with other entities within OSSE and in the community. For example, DCTAG works with OSSE's Office of College and Career Readiness, whose mission is to increase D.C. public school students' access to college. Through this collaboration, DCTAG helps eligible students prepare for higher education, such as through assistance to public schools to offer college entrance exams at no cost to students. Similarly, by partnering with college access providers, DCTAG supplements the support services it offers to help students stay on track to graduate. For example, DCTAG partners with the D.C. College Access Program, a privately funded scholarship program that offers support services for D.C. students in college. One of their services includes using scholarship recipients to mentor incoming D.C. students.

¹⁶College access providers are organizations that seek to expand access to higher education.

Figure 8: Support Services Provided by DCTAG and Its Partners



Source: GAO interviews and review of program documents for DCTAG and its partners. | GAO-18-527

OSSE’s Reporting to Key Stakeholders on DCTAG Does Not Include Program Performance Information

Program goals for the District of Columbia Tuition Assistance Grant (DCTAG) program

- Ensure D.C. residents are aware of and apply to DCTAG.
- Enable D.C. residents to apply to the program with ease.
- Ensure that the program meets its financial obligations through a payment process with sufficient checks and balances.
- Help students make smarter college choices.

Source: Correspondence with officials from the District of Columbia Office of the State Superintendent of Education. | GAO-18-527

We found that although OSSE communicates DCTAG’s program data and activities to internal stakeholders, Congress, and the public in various formats, these reporting methods do not include the program’s four goals (see textbox), relate performance information to these program goals, or describe progress toward achieving them (see table 1). For example, OSSE’s 2017 annual report to Congress on DCTAG did not include DCTAG’s four program goals, nor did OSSE relate information about the performance of the program to those goals. Instead, the 2017 annual report was comprised of descriptive statistics that were presented without explanation or sufficient context to allow readers to understand the significance of what was being reported. Specifically, this information was unrelated—quantitatively or qualitatively—to DCTAG’s program goals of ensuring D.C. residents are aware of and apply to DCTAG, or of helping DCTAG students make smarter college choices, which OSSE officials told us includes helping students select schools where they are more likely to graduate. As a result, it is unclear how to interpret the information presented in these reports and whether reported results indicate positive or negative program performance.

Table 1: Selected Communications on the District of Columbia Tuition Assistance Grant (DCTAG) Program

Communication type	Description
OSSE’s 2017 annual report on DCTAG to Congress	OSSE reports on DCTAG annually to Congress, in accordance with the reporting requirement under the District of Columbia College Access Act of 1999.
OSSE’s performance oversight response	OSSE responds to the Council of the District of Columbia’s annual oversight questions.
OSSE’s 2015 Postsecondary and Career Education Divisional Overview	OSSE’s 2015 Postsecondary and Career Education Divisional Overview provides information on the division’s activities to internal and external stakeholders. The report includes a variety of descriptive statistics that do not clearly relate to the stated goals of the program.
OSSE’s 10-year accomplishment report for DCTAG, 1999-2009	This report includes DCTAG program statistics and a description of program activities. Program officials said that there are plans to publish a 20-year accomplishment report for DCTAG.

Source: District of Columbia College Access Act of 1999, Pub. L. No. 106-98, § 3, 113 Stat. 1323, 1326, and Interviews and documents from the District of Columbia Office of the State Superintendent of Education. | GAO-18-527

Federal standards for internal control state that program managers should communicate necessary quality information so both internal and external parties can help the program achieve its objectives.¹⁷ We have previously reported that annual reports are essential for managers of federal programs to communicate to decision makers the progress an agency has made toward achieving its goals during a given year and, in cases where goals are not met, identify opportunities for improvement or whether goals need to be adjusted.¹⁸ In addition, our prior work found that managers of these programs can increase the value of their reports to congressional decision makers and the public by relating annual performance information to the agency's strategic goals and mission.¹⁹ Furthermore, we reported that performance measurement does not require establishing a causal link between program activities and program outcomes, but rather emphasizes that the nature of performance measurement is the ongoing monitoring and reporting of program accomplishments, particularly toward pre-established goals.²⁰

OSSE officials agreed on the importance of developing an annual report relating performance to program goals for the DCTAG program and concurred with our finding that they had not communicated DCTAG's performance information, such as progress toward program goals, in a single annual report. They explained that developing performance measures is challenging. For example, they said DCTAG recipients have access to multiple support programs, which creates difficulties in establishing causal links between a program and the desired outcome. OSSE officials also stated that many DCTAG initiatives are new and, as a result, complete data on those initiatives are not yet available. Although we recognize that developing an annual report could be challenging, our prior work has found performance measurement guidelines would not require program managers to establish causal links as part of ongoing

¹⁷GAO, *Standards for Internal Control in the Federal Government*, [GAO-14-704G](#) (Washington, D.C.: September 2014).

¹⁸GAO, *Performance Reporting: Few Agencies Reported on the Completeness and Reliability of Performance Data*, [GAO-02-372](#) (Washington, D.C.: Apr. 26, 2002). Also see: https://www.gao.gov/key_issues/managing_for_results_in_government/issue_summary?from=topics#t=0

¹⁹GAO, *GPRA Performance Reports*, [GAO/GGD-96-66R](#) (Washington, D.C.: Feb. 14, 1996).

²⁰GAO, *Designing Evaluations: 2012 Revision*, [GAO-12-208G](#) (Washington, D.C.: January 2012).

performance monitoring and reporting of progress toward program goals. Unless DCTAG's stakeholders have access to an annual report that relates performance information to the program's goals, they may be limited in their ability to judge the significance of what is being reported, determine whether the agency is making progress toward achieving its goals, or make informed program management and funding decisions.

The Design of Selected Scholarship Programs Reflects Unique State and Local Needs

Each of the three other selected scholarship programs we reviewed was created to meet unique state or local needs.

- **Boston Tuition-Free Community College Plan.** Created to make college more affordable for the city's low-income students.
- **Kalamazoo Promise.** Created to promote the economic and social well-being of the community by expanding college access with full-tuition scholarships.
- **Washington State Opportunity Scholarship.** Created to address shortfalls in the state's Science, Technology, Engineering, and Mathematics (STEM) and health care workforce and increase educational opportunities for low-income and middle-income students.

Because each program was designed to address a unique state or local need, they differ with regard to eligibility, funding, recipient supports, and outcome measures. (For additional information on these three programs see appendix I.)

- **Eligibility.** Each of the three selected scholarship programs established eligibility criteria, such as income requirements, residency requirements, and grade point average (GPA) requirements among others, that reflect program objectives. For example, to ensure that the Boston program serves the intended low-income population, the program requires students to be eligible for Pell grants to receive funding.
- **Funding.** While the selected scholarship programs have dedicated funding streams, their funding sources reflect the origins of each program. For example, Boston's program was initiated by the city's mayor and is funded through a public charitable trust from fees for large-scale commercial building projects while the Kalamazoo promise was initiated by a group of anonymous donors who have funded the program in perpetuity, according to program officials. Alternately, the Washington program was initiated through cooperation between the state government and private sector

companies and is funded by private donations that are matched by state funds up to an annual maximum of \$50 million.

- **Recipient supports.** Each of the selected scholarship programs have developed supports such as coaching and peer mentoring to help recipients transition to college and stay on track to graduate. For example, the Kalamazoo Promise partners with and provides funding to two local colleges to create counseling, coaching, or peer mentoring services for scholarship recipients, according to program managers.
- **Outcome measures.** The selected scholarship programs have developed outcome measures to better understand the programs' impact, such as whether students stay on track to graduate or find employment post-graduation. For example, program managers with the Washington program said they initiated a post-graduation survey in 2015 to better understand the employment status of graduates in STEM and health care fields, their job location, and annual salary.

Conclusions

Steady enrollment in DCTAG provides an encouraging signal that the program may be meeting the purpose set forth in federal law to expand access to higher education opportunities for D.C. students. However, without annual reports that relate DCTAG's performance information to the program's goals, it is difficult to assess the impact of the program and its support services. The information OSSE currently makes available about DCTAG does not provide the context needed for the program's internal stakeholders, Congress, or the public to determine whether the program is meeting its goals or if any changes may be necessary.

Recommendation for Executive Action

OSSE should issue an annual report on DCTAG that relates information about the program's performance to the program's goals. (Recommendation 1)

Agency Comments and Our Evaluation

We provided a draft of this report to the Mayor of the District of Columbia for review and comment. Comments from the Mayor are reproduced in appendix II. In response to our recommendation, the Mayor stated that OSSE plans to expand DCTAG's current annual reports to Congress with direct links to DCTAG's annual strategic performance goals and the reports will combine data points to illustrate the program's performance. The Mayor also raised a concern about the title of the draft report, stating that it implied OSSE is not meeting legislative requirements. We have modified the title and text of the report to avoid this implication.

We are sending copies of this report to the appropriate congressional committees, the District of Columbia Office of the State Superintendent of Education, and other interested parties. In addition, this report is available at no charge on the GAO website at <http://www.gao.gov>.

If you or your staff have any questions about this report, please contact me at (617) 788-0534 or emreyarrasm@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made key contributions to this report are listed in appendix III.]

Melissa Emrey-Arras

Melissa Emrey-Arras, Director
Education, Workforce, and Income Security Issues

Appendix I: Other State and Local Scholarship Programs

Based on interviews with officials of three selected state and local scholarship programs and a review of program documents, we present a selection of information to provide additional context on these programs. They include the Boston Tuition-Free Community College Plan, the Kalamazoo Promise, and the Washington State Opportunity Scholarship.¹ The following tables include information on these scholarship programs' eligibility requirements, funding sources, recipient supports, and annual reports and performance measures. Table 2 presents a selection of eligibility requirements for the Boston Tuition-Free Community College Plan, the Kalamazoo Promise, and the Washington State Opportunity Scholarship.

Table 2: Selected Eligibility Requirements for Three Selected Scholarship Programs

Scholarship	Selected eligibility requirements
Boston Tuition-Free Community College Plan	<ul style="list-style-type: none"> • Residency: Boston resident. • Income: Students must be Pell-eligible as determined through the Free Application for Federal Student Aid (FAFSA). • High school: Must graduate from a Boston high school with at least a 2.0 grade point average (GPA) or earn high school equivalency through either the High School Equivalency Test or a General Equivalency Diploma (GED). Students who graduate from a school that participates in the Metropolitan Council for Educational Opportunity program, which allows Boston residents to attend public schools in other communities, are also eligible for the scholarship. • College: Meet school's Satisfactory Academic Progress (SAP) requirement, which includes a minimum GPA. Students may receive up to 3 years of scholarship funding.
Kalamazoo Promise	<ul style="list-style-type: none"> • Residency: Kalamazoo Public School (KPS) district resident. Residency requirement intended to incentivize families to remain in or relocate to Kalamazoo. • Income: Student eligibility is not based on income. • High school: Must attend KPS from 9th–12th grade and graduate. • College: Meet school's SAP requirement and maintain a 2.0 GPA. Students may receive up to 4 years of scholarship funding.

¹We did not conduct an independent review of relevant state and local laws, regulations, and municipal orders; however, we coordinated with state and local audit offices as appropriate.

Appendix I: Other State and Local Scholarship Programs

Scholarship	Selected eligibility requirements
Washington State Opportunity Scholarship	<ul style="list-style-type: none"> • Residency: Washington state resident. • Income: Must submit either a FAFSA or a Washington Application for State Financial Aid. Student total family income cannot exceed 125 percent of Washington state's median family income, which is adjusted for family size. • High school: To target a more competitive pool of applicants and increase the likelihood of funding students who would graduate with a Science, Technology, Engineering, and Mathematics (STEM) or health care degree, the program requires applicants to graduate from a Washington state high school with at least a 2.75 GPA. Students may also earn high school equivalency through the GED exam and must plan to pursue an approved STEM or health care major during college. • College: Meet school's SAP requirement, which includes a minimum GPA, and pursue an approved STEM or health care major. Students may receive up to 5 years of scholarship funding.

Source: GAO interviews with program managers and review of program documents as confirmed by program managers. | GAO-18-527

Table 3 presents a summary of the three selected scholarship programs' funding sources, as well as how students may use those funds.

Table 3: Funding for Three Selected Scholarship Programs

Scholarship	Funding
Boston Tuition-Free Community College Plan	<ul style="list-style-type: none"> • Source: Publicly funded through a Municipal Trust Fund, the Neighborhood Jobs Trust, which is supported by fees on large-scale commercial developments. • Coverage: Cost of tuition and mandatory fees at any one of three local community colleges in the Boston area. For students who already receive full tuition coverage under the Federal Pell Grant Program, the program will provide up to \$1,000 for college-related expenses, such as books or transportation.
Kalamazoo Promise	<ul style="list-style-type: none"> • Source: Privately funded by a group of anonymous donors. Program officials said the scholarship is funded in perpetuity. • Coverage: Cost of tuition and mandatory fees at any participating 2-year or 4-year public or private colleges in Michigan.
Washington State Opportunity Scholarship	<ul style="list-style-type: none"> • Source: Public-private partnership in which private donations are matched by public funds, up to an annual maximum of \$50 million. • Coverage: Cost of attendance up to \$2,500 during recipients' 1st and 2nd years in college, \$5,000 during their 3rd year, and \$7,500 during their 4th year. Students also have access to an additional \$5,000 for a 5th year, if needed. Funds may be used at eligible 2-year or 4-year public or private colleges in Washington state.

Source: GAO interviews with program managers and review of program documents as confirmed by program managers. | GAO-18-527

Table 4 presents a summary of the supports developed by the three selected scholarship programs to support students, keep them on track to graduate from college, and help them begin their careers.

Appendix I: Other State and Local Scholarship Programs

Table 4: Recipient Supports for Three Selected Scholarship Programs

Scholarship	Recipient supports
Boston Tuition-Free Community College Plan	<ul style="list-style-type: none"> The program pairs recipients with a coach from Success Boston, which is Boston’s citywide college completion initiative, according to program managers and program documents. Program documents indicated that these coaches help students transition to college, stay on track for their degree, and help guide students “through life’s ups and downs.”
Kalamazoo Promise	<ul style="list-style-type: none"> Partners with two local institutions, a 2-year and a 4-year college, to provide counseling, coaching, or peer mentoring services for scholarship recipients, according to program managers.
Washington State Opportunity Scholarship	<ul style="list-style-type: none"> Currently implementing a scalable, peer mentoring program to support recipients during their 1st and 2nd year of college, according to program managers. They also said the program has: <ul style="list-style-type: none"> Developed a mentoring program to pair recipients with STEM and health care professionals. Encouraged scholarship recipients to complete an internship to increase their competitiveness in the STEM and health care job market. Hosted industry exploration and networking events, as well as professional development workshops.

Source: GAO interviews with program managers and review of program documents as confirmed by program managers. | GAO-18-527

Table 5 presents a summary of the annual reports and selected performance measures developed by the three selected scholarship programs.

Table 5: Annual Reports and Selected Performance Measures for Three Selected Scholarship Programs

Scholarship	Annual reports and selected performance measures
Boston Tuition-Free Community College Plan	<ul style="list-style-type: none"> The program’s annual report compares the retention rate for a cohort of recipients after 1 year of community college with the national average. Program managers said that they are also considering additional performance measures related to recipient supports and graduation rates.
Kalamazoo Promise	<ul style="list-style-type: none"> Program managers said that they conduct demographic analysis of scholarship recipients’ short-term and long-term outcomes, including graduation rates, to better understand the program’s impact on different student demographics, and the supports needed to help students stay on track in their studies. Program managers also said that they report annually to the Kalamazoo Promise’s anonymous donors. That report includes analysis of: <ul style="list-style-type: none"> College retention, persistence, and graduation rates. When recipients start college, whether recipients stop college, and the reasons behind these decisions.

Appendix I: Other State and Local Scholarship Programs

Scholarship	Annual reports and selected performance measures
Washington State Opportunity Scholarship	<ul style="list-style-type: none">• The program is required to report annually to the state legislature. That report includes:<ul style="list-style-type: none">• Demographic characteristics of scholarship recipients and eligible applicants.• Recipient graduation rates.• Results of a post-graduation survey program managers told us they initiated in 2015 to determine the percentage of recipients who find work in STEM and health care fields and remain in Washington state, as well as the earnings of those graduates.

Source: GAO interviews with program managers and review of program documents as confirmed by program managers. | GAO-18-527

Appendix II: Comments from the Mayor of the District of Columbia



MURIEL BOWSER
MAYOR

July 18, 2018

Ms. Melissa Emrey-Arras
Director, Education, Workforce, and Income Security issues
Government Accountability Office
441 G Street NW
Washington, DC 20548

Dear Ms. Emrey-Arras:

Thank you for the opportunity to review your office's July 2018 draft report entitled "District of Columbia: Improved Reporting Needed for Tuition Assistance Grant Program" (GAO-18-527). We found your report to be very thorough and insightful, and it was a pleasure working with the Government Accountability Office (GAO) during its development.

We are pleased to see that your report's findings accurately captures successes of the DC Tuition Assistance Grant Program (DCTAG) as we believe that the design of this program is uniquely suited to best meet local needs. Particularly, the findings in the following sections illustrate that DCTAG is successful in meeting its legislatively-mandated purpose of expanding access to higher education for District residents, and that the Office of the State Superintendent of Education (OSSE) and its partners are working to help students get to and through college:

- "Populations Eligible for and Enrolled in DCTAG Remained Relatively Stable as Amounts Awarded Increased and Recipients Graduated at Higher Rates than Selected National Comparison Groups,"
- "DCTAG and Its Partners Help Recipients Prepare for College, Complete Applications for Financial Aid, and Stay on Track to Graduate," and
- "The Design of Selected Scholarship Programs Reflect Unique State and Local Needs."

We would like to take this opportunity to respond to the GAO's "Recommendation 1: OSSE should issue an annual report on DCTAG that relates information about the program's performance to the program's goals." As noted in Table I of the report, OSSE communicates DCTAG's program data and activities to internal stakeholders, Congress, and the public in

**Appendix II: Comments from the Mayor of the
District of Columbia**

various formats and reports. Chief among these is DCTAG's legislatively-mandated annual performance report to Congress, in which OSSE shares data on demographic characteristics of award recipients, amounts awarded, and graduation rates, including historical information. This data documents the impact of the program on District students and their families. We believe that this reporting speaks to DCTAG's primary purpose, which is to enable DC's college-bound students to have greater choices among higher education institutions.

OSSE's annual report to Congress on DCTAG also speaks to the program's annual strategic performance goals, albeit not in the direct way recommended by the GAO report. For example, we view student graduation rates as a proxy measure for the program goal of students making smarter college choices. Similarly, we view the diverse demographic profile of the award recipients as evidence that District students have knowledge of, and access to, the program - two additional program goals. Moving forward, we plan to expand our annual report to include more direct links to DCTAG's annual strategic goals for program development and improvement. We will combine these data points with our existing reports in order to continue meeting federal requirements, and to better illustrate performance to annual program goals, so that DCTAG's stakeholders can better judge the impact of this valuable program.

Finally, we respectfully object to the draft title of this report. We feel that your staff has written an excellent report that illustrates the effectiveness and responsiveness of the DCTAG program to meet local needs and program objectives, but the title does not acknowledge this. As the report indicates, DCTAG was set up as part of a legislative package and part of broader strategic goals to keep families with school age children in the city, to stabilize Washington, DC's population, to instill confidence in Washington, DC's public schools, and to provide greater educational opportunities for at-risk students. Data in this GAO report and in numerous other reports confirm that we are making dramatic progress towards these goals. We are concerned that the use of the phrase "Improved Reporting Needed..." in the title implies that the current reporting does not meet legislative requirements, which is not true. We would like to suggest the alternate title, "Tuition Assistance Grant Meets Requirements but Reporting Could Be Enhanced."

Please do not hesitate to contact us if you would like to discuss this response. We appreciate consideration being given to these suggestions in the final report. Please contact Kenneth McGhee, the DCTAG Program Director, by phone at (202) 481-3946 or by email at Kenneth.McGhee@dc.gov if you have any questions.

Sincerely,


Muriel Bowser
Mayor

Appendix III: GAO Contact and Staff Acknowledgments

GAO Contact

Melissa Emrey-Arras, (617) 788-0534 or emreyarrasm@gao.gov.

Staff Acknowledgments

In addition to the contact named above, Bill J. Keller (Assistant Director), Tom Moscovitch (Analyst-in-Charge), and Michael C. Duane made significant contributions. Also contributing to this report were James Bennett, Deborah K. Bland, Sheila R. McCoy, Benjamin A. Sinoff, Rachel R. Stoiko, and Kate van Gelder.

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