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The District of Columbia Tuition Assistance Grant (DCTAG) Program

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Summary

To address concerns about the public postsecondary education offerings available to District of Columbia residents, the District of Columbia College Access Act of 1999 (P.L. 106-98) established the District of Columbia Tuition Assistance Grant (DCTAG) program. The program is meant to provide college-bound DC residents with a greater array of choices among institutions of higher education by providing grants for undergraduate education. Grants for study at public institutions of higher education (IHEs) nationwide offset the difference between in-state and out-of-state tuition and fees, up to \$10,000 per year and a cumulative maximum of \$50,000. Students may also receive grants of up to \$2,500 per year and a cumulative maximum of \$12,500 for undergraduate study at Historically Black Colleges and Universities (HBCUs) nationwide and private IHEs in the Washington, DC, metropolitan area.

DCTAG program grants are provided regardless of need or merit. However, to be eligible to receive a program grant, individuals must, among other criteria, be District of Columbia residents; be enrolled or accepted for enrollment on at least a half-time basis in a degree, certificate, or credential granting program; maintain satisfactory progress in their course of study; be 24 years of age or younger; and have received a secondary school diploma or its equivalent. Post-baccalaureate students who have already earned a bachelor's degree or students whose family's federal taxable income equals or exceeds \$1 million annually are ineligible to participate.

As of February 2012, a total of 18,663 students have received a total of \$307 million in DCTAG awards and have attended over 600 institutions of higher education (IHEs) in 49 states. There has been a substantial increase in the amount appropriated for the DCTAG program since its inception (from \$17 million in FY2000 to \$28.4 million in FY2013), but there has been no change to the maximum award size in response to rising postsecondary education costs, which may be leaving many program participants paying more per year for their education than in previous years or possibly limiting their choices of which institution to attend.

This report first discusses the history of the DCTAG program and the events and legislation leading up to its passage. It then describes the program's administration, including recipient eligibility and the amount of award available based on the type of institution attended, award interaction with federal student aid, and funding. Next, the report presents DCTAG performance data, such as the types of institutions DCTAG recipients primarily attend and the types of students served by the program (e.g., the number of grants received, by DC ward). Finally, the report provides an analysis of grant benefits and discusses the extent to which DCTAG awards may be bridging the gap between in-state and out-of-state tuition.

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Background

The District of Columbia Tuition Assistance Grant (DCTAG) program was created in 1999 to address concerns about the public postsecondary education offerings available to District of Columbia residents.

In the 1990s, the University of the District of Columbia (UDC), which, at the time, was the only public institution of higher education (IHE) in Washington, DC, faced a series of obstacles that threatened its existence. In the midst of financial shortfalls across the District's government, the school's budget was severely reduced, from \$76 million in FY1992 to \$43 million in FY1995. In 1996, when UDC's budget was reduced by an additional \$16.2 million, fall enrollment dropped from 10,000 students the previous year to 7,600 students.¹ The next fall, acting UDC President Julius E. Nimmons, Jr. laid off 125 faculty members, nearly one-third of the institution's full-time faculty, as well as 200 of the university's 437 non-faculty employees.² The school's accreditation, though thrown into doubt, was renewed in 1997. Despite reforms put into place after the reaccreditation, UDC remained under public scrutiny for several years.

As a possible indicator that the public higher education available in Washington, DC, did not meet their needs, District residents enrolled in postsecondary institutions outside of their home jurisdiction at a rate far higher than their peers elsewhere in the United States. In the fall of 1998, 3,116 District residents were enrolled as undergraduate freshmen in IHEs, of whom 1,163 (37%) attended public or private institutions in DC. The national average for postsecondary attendance within an individual's jurisdiction³ of residence that year was 82%, with Vermont's 54% in-state attendance ranking as the second lowest in the nation.⁴

This disparity in college-attendance trends across states raised concerns about the cost for District students attending IHEs. In each of the 50 states, some form of public higher education is made available to in-state students at a lower cost than the price of tuition and fees offered to students from outside the state, thereby reducing the average total postsecondary education cost for residents of that jurisdiction. In academic year (AY) 1999–2000, “dependent undergraduates from the District of Columbia paid [an average of] \$7,890 per year in tuition minus all grant aid ... more than twice the national average” of \$3,215 per student annually.⁵

¹ Raoul Dennis, “Accreditation Renewed for the University of the District of Columbia,” *Black Issues in Higher Education*, December 11, 1997, pp. 16–17.

² “News and Views: UDC; A Chain of Calamities,” *The Journal of Blacks in Higher Education*, June 30, 1997, p. 72.

³ “Jurisdiction” is defined here as the 50 U.S. states and Washington, DC.

⁴ U.S. Department of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS), “Residence and Migration of all freshmen students in degree-granting institutions, by state: Fall 1998.”

⁵ Thomas Kane, *Evaluating the Impact of the D.C. Tuition Assistance Grant Program*, National Bureau of Economic Research, Working Paper 10658, August 2004, pp. 1–2, <http://www.nber.org/papers/w10658>.

Although similar issues arising elsewhere in the United States might be rectified through the reallocation of resources among public IHEs and the development of policies at the state level, supporters of the program argued that both the District of Columbia's unique role and status as the nation's capital and the state of local governance required remedies of this sort to be achieved through federal action. In general, budgetary authority for Washington, DC, rests in the hands of Congress, as:

The Constitution gives Congress the power to “exercise exclusive Legislation in all Cases whatsoever” pertaining to the District of Columbia. In 1973, Congress granted the city limited home rule authority and empowered citizens of the District to elect a mayor and city council. However, Congress retained the authority to review and approve all District laws, including the District's annual budget.⁶

While Congress retains the power to determine the appropriation and allocation of funds, it typically cedes much of the daily governance to local government. However, in the 1990s, troubled city services, a poor credit rating that hindered the District's ability to borrow funds, and an FY1995 budget deficit of \$722 million led to federal intervention. Two pieces of legislation, the District of Columbia Financial Responsibility and Management Assistance Act of 1995 (P.L. 104-8) and the National Capital Revitalization Act of 1997 (P.L. 105-33), increased the federal role in the governance of the District of Columbia. New oversight committees were formed and many of the “state functions” normally carried out by the District of Columbia's government were temporarily transferred to Congress.⁷

As Congress attempted to rejuvenate the District of Columbia's local government and improve the standard of living for the average citizen,⁸ an increasing number of concerns were raised about the postsecondary education opportunities available to District residents. In March 1999, Washington, DC's Delegate to Congress Eleanor Holmes Norton and Representatives Tom Davis and Constance Morella introduced a bill that would create a program to provide support for higher education to DC residents.

Legislation

On November 12, 1999, the District of Columbia College Access Act (P.L. 106-98) was signed into law, authorizing the DCTAG program for FY2000 to FY2005.⁹ Congress defined the program's purpose as “enabl[ing] college-bound residents of the District of Columbia to have greater choices among institutions of higher education.”¹⁰

⁶ CRS Report R40801, *Financial Services and General Government (FSGG): FY2010 Appropriations*, coordinated by (name redacted).

⁷ CRS Report RS20990, *The District of Columbia Financial Responsibility and Management Assistance Act, P.L. 104-8: An Overview of the Law and Related Amendments*, by (name redacted) (archived report, available upon request).

⁸ In another effort to promote the growth of Washington, DC's middle class, Congress established a \$5,000 tax credit for first-time home buyers in Washington, DC, under the Taxpayer Relief Act of 1997 (P.L. 105-34). CRS Report 97-766, *District of Columbia Revitalization: Legislation Enacted Under the 105th Congress*, by (name redacted) (archived report, available upon request).

⁹ The law is also codified at the local level as Division VI, Title 38, Subtitle IX, Chapter 27 of the DC Code.

¹⁰ P.L. 106-98, Section 1.

The DCTAG program provides grants to District residents, regardless of need or merit, to attend eligible public and private not-for-profit IHEs in the United States. When the program was first enacted, \$10,000 annual scholarships (with a cumulative cap of \$50,000) were available exclusively for use at public IHEs in Maryland and Virginia, and annual grants of \$2,500 (with a cumulative cap of \$12,500) were available exclusively for tuition and fees at a limited number of private colleges and private historically black colleges and universities (HBCUs) in Maryland and Virginia. Both the \$10,000 scholarship for attendance at a public not-for-profit school and the \$2,500 grant for attendance at certain private schools were intended to assist DC high school graduates in pursuing a postsecondary education and to provide them with a “greater range of options” for their postsecondary education.¹¹

The act also included a provision (Section 3(c)(1)(a)(ii)) that permitted the mayor of the District of Columbia to broaden the list of public institutions eligible to receive program funds, which could include IHEs outside Maryland and Virginia. In May 2000, Mayor Anthony Williams exercised this administrative authority and expanded the program to provide up to \$10,000 per student per year (with a cumulative cap of \$50,000) toward the difference between in-state and out-of-state undergraduate tuition and fees at all public colleges and universities nationwide.

The District of Columbia College Access Improvement Act of 2002 (P.L. 107-157) further amended the program to provide awards of up to \$2,500 per student per year (with a cumulative cap of \$12,500) to assist students with paying the tuition and fees for any private HBCU nationwide. The addition of these eligible institutions was intended to help expand DC residents’ access to HBCUs nationwide.¹²

Since its original authorization in 1999, the DCTAG program has been reauthorized twice, once in 2004 (P.L. 108-457) and again in 2007 (P.L. 110-97). The 2007 reauthorization extended the appropriation of funds for the DCTAG program through FY2012 and introduced a means-testing provision prohibiting Washington, DC, residents from families with taxable annual incomes of \$1,000,000 or greater from receiving awards. The DCTAG program is currently operating under a Continuing Resolution (P.L. 113-46).

Program Structure

Administration

The DCTAG program is administered by the mayor of the District of Columbia, through the Office of the State Superintendent of Education’s (OSSE’s) Higher Education Financial Services.

¹¹ U.S. Congress, House of Representatives Committee on Government Reform, *District of Columbia College Access Act*, report to accompany H.R. 974, 106th Cong., 1st sess., May 24, 1999, H.Rept. 106-158, p. 5; U.S. Congress, Hearing before the Senate Committee on Governmental Affairs, Oversight of Government Management, Restructuring and the District of Columbia Subcommittee, *H.R. 974—The District of Columbia College Access Act and S. 856—The Expanded Options in Higher Education for District of Columbia Students Act of 1999*, 106th Cong., 1st sess., June 24, 1999, S. Hrg. 106-252, p. 9.

U.S. Congress, Senate Labor and Public Welfare, *Education Amendments of 1971*, report to accompany S. 659, 92nd Cong., 1st sess., August 3, 1971, S.Rept. 92-346 (Washington: GPO, 1971), p. 115.

¹² U.S. Congress, Senate Committee on Governmental Affairs, *District of Columbia College Access Improvement Act of 2001*, report to accompany H.R. 1499, 107th Cong., 1st sess., November 29, 2001, S.Rept. 107-101, p. 4.

As mandated by statute, the District of Columbia government established a dedicated account for program funds, with separate line items for federal appropriations, District government contributions, unobligated balances from prior appropriations, and interest earned on the balance.¹³ OSSE has taken the further step of creating two separate accounts, one for short-term expenditures (within 90 days) and one for longer-term needs, both of which can receive direct deposits from federal appropriations.¹⁴ If the funds made available for the program are not sufficient to fully support all applicants at the maximum allowable grant amount, the mayor is required to ratably reduce awards—first reducing those granted to first-time recipients and then those granted to renewing recipients. Should this be required, the mayor is authorized to apply ratable reductions based on student financial need and administrative burden.

Eligibility

Institution

The size of the DCTAG award that a District of Columbia resident can receive is based on the type of institution attended (see **Table 1**). District of Columbia residents are eligible to receive DCTAG funds in amounts not to exceed \$10,000 per student per year (with a total per student cap of \$50,000) to attend any public Title IV eligible¹⁵ four-year IHE in the United States.¹⁶ Because the UDC provides an in-state tuition rate for DC students, District of Columbia residents are specifically prohibited from using DCTAG funds to reduce the cost of attending UDC. Likewise, students may not use DCTAG funds to attend the Community College of the District of Columbia—the open-admission, two-year IHE that was split off from UDC in August 2009 as a separate institution—because it offers reduced tuition to residents of Washington, DC.

Private, nonprofit Title IV eligible HBCUs¹⁷ nationwide and private Title IV-eligible nonprofit IHEs¹⁸ in the Washington, DC, metropolitan area (defined as the District of Columbia; the cities of Alexandria, Falls Church, and Fairfax in Virginia; Arlington and Fairfax counties in Virginia; and Montgomery and Prince George’s counties in Maryland)¹⁹ are eligible to accept DCTAG funds in amounts not to exceed \$2,500 per student per year (with a total per student cap of \$12,500).

Nationwide, public Title IV-eligible two-year IHEs are eligible to accept DCTAG funds in amounts not to exceed \$2,500 per student per year (with a total per student cap of \$10,000).

¹³ D.C. Code §38-2705(h).

¹⁴ Government Accountability Office (GAO), *District of Columbia: Financial and Program Management Improvements Needed for Tuition Assistance Grant Program*, GAO-06-14, October 2005, p. 20.

¹⁵ “Title IV eligible” refers to an IHE’s eligibility to participate in federal student aid programs, such as the Direct Loan Program. Title IV of the Higher Education Act of 1965 (P.L. 89-329).

¹⁶ A full list of eligible, participating institutions can be found at District of Columbia Office of State Superintendent of Education (OSSE), “DCTAG Participating Colleges and Universities,” <http://osse.dc.gov/publication/dctag-participating-colleges-and-universities>.

¹⁷ As defined in §322(2) of the Higher Education Act of 1965 (20 U.S.C. 1061(2)).

¹⁸ As defined in §101(a) of the Higher Education Act of 1965 (20 U.S.C. 1001(a)).

¹⁹ D.C. Code §38-2704(c)(1)(A)(i).

Table I. Maximum Annual and Lifetime DCTAG Awards at Eligible Institutions

| Maximum Annual and Lifetime Awards | Public Title IV-Eligible Four-Year IHEs Nationwide | Private Nonprofit Title IV-Eligible IHEs in the Washington, DC, Metropolitan Area | Private Nonprofit Title IV-Eligible Four-Year HBCUs Nationwide | Public Title IV-Eligible Two-Year IHEs Nationwide |
|------------------------------------|--|---|--|---|
| Maximum annual award | \$10,000 | \$2,500 | \$2,500 | \$2,500 |
| Student lifetime cap | \$50,000 | \$12,500 | \$12,500 | \$10,000 |

Source: Table compiled by CRS based on review of the District of Columbia College Access Act, D.C. Code §38-2701 et seq.

To receive funds under the DCTAG program, any of the aforementioned institutions, except HBCUs, are required to enter into an agreement with the mayor of the District of Columbia regarding reporting requirements and the institution’s use of funds to supplement, not supplant assistance that it would otherwise provide eligible students.²⁰

Student

To become and remain eligible for a grant under the DCTAG program, a student must

- be a resident of the District of Columbia;
- be a citizen, national, or permanent resident of the United States; be able to provide evidence from the Immigration and Naturalization Service that he or she is in the United States for other than a temporary purpose with the intention of becoming a citizen or permanent resident; or be a citizen of any one of the Freely Associated States;
- be enrolled or accepted for enrollment, on at least a half-time basis, in a degree, certificate, or other program (including a study-abroad program approved for credit by the student’s home institution) leading to a recognized educational credential at an eligible institution;
- maintain satisfactory progress in his or her course of study, as defined by Section 484(c) of the Higher Education Act of 1965, as amended;
- not be in default on a federal student loan;
- be 24 years of age or younger at the time of initial application, unless enrolled in the program prior to the 2006–2007 academic year;
- have either graduated from a secondary school or received the equivalent of a secondary school diploma or have been accepted for enrollment as a freshman at an eligible institution; and
- be domiciled in the District of Columbia for not less than the 12 consecutive months preceding enrollment at an eligible IHE, if undergraduate study is started within three calendar years (excepting periods of National Service²¹ or service in

²⁰ D.C. Code §38-2702(c)(1)(C).

²¹ As defined in subtitle D of Title I of the National and Community Service Act of 1990 (42 U.S.C. 12571 et. seq.).

the Armed Forces or the Peace Corps) of high school graduation or its equivalent or be domiciled in the District of Columbia for not less than five consecutive years preceding enrollment at an eligible IHE, if undergraduate study is started more than three calendar years after high school graduation or its equivalent.

Post-baccalaureate students who have already earned a bachelor's degree or students whose family's federal taxable income equals or exceeds \$1,000,000 annually are ineligible to participate in the DCTAG program.²²

Application

To receive funds through the DCTAG program, an eligible student must²³

- first submit a DC OneApp, the District of Columbia's online application that District residents use to apply for the District of Columbia's state-level higher education grant programs;
- then fill out the Free Application for Federal Student Aid (FAFSA); and
- finally, submit required supporting DC OneApp documents, including income or benefits verification or a document²⁴ no older than 45 days from the date of the DC OneApp submission that reflects the name and address of either the applicant or their parent or legal guardian, proof of high school or equivalent completion (first-time applicants only), and a student aid report.²⁵

Payments

After a student submits a successful application and the grant size is determined, awards are paid directly to the eligible IHE at which the student is enrolled. In the case of public institutions, the grant may be no larger than the difference between the in-state and out-of-state tuition and fees, and in no case may the grant be larger than \$10,000 per year, as previously indicated in **Table 1**. Grants awarded to students attending school on a less than full-time basis are prorated.

To participate in the DCTAG program, institutions must complete (or have completed) a Program Participation Agreement; fill out a Minimum Requirements Invoice for a Public or a Private Institution, including the W-9 form; and email an invoice for eligible students.

Interaction with Federal Student Aid

Because DCTAG funds are not intended to cover the full cost of college attendance, students may seek additional sources of financial assistance. Title IV federal student aid programs, administered by the Department of Education, constitute a large share of such support. The maximum loan or grant amount for each of these programs is determined by a different need

²² D.C. Code §38-2702(c)(2).

²³ OSSE, DC OneApp Service, <http://osse.dc.gov/service/dc-oneapp-service>.

²⁴ The document may be a current utility bill, phone bill (land line, not cell phone), bank statement, pay stub, or mortgage statement.

²⁵ OSSE, DCTAG Required Support Documents, <http://osse.dc.gov/page/dctag-required-supporting-documents>.

analysis calculation involving, but not limited to, the cost of attendance and the total estimated financial assistance from other sources.²⁶ For the purpose of these calculations, funds received through the DCTAG program would most likely be considered either scholarships or state assistance, both of which are considered estimated financial aid.²⁷ As a result, receiving a DCTAG award may reduce the federal student aid available to a student. For a list of additional student support available to District of Columbia residents, see the **Appendix**.

Appropriations

The DCTAG program is funded through annual appropriations, which are available until expended and do not expire at the end of each fiscal year. From the program’s inception through FY2007, these funds were included in annual District of Columbia Appropriations Acts; beginning in 2008, program funds were appropriated through annual Federal Services and General Government Appropriations Acts. Between FY2010 and FY2013 appropriated funds for the DCTAG program either remained level or decreased through various acts and Continuing Resolutions. **Table 2** details the funding levels for each year of the program’s existence.

Table 2. Appropriations for the DCTAG Program

| Fiscal Year | Appropriations Act | Appropriation (in millions) | Percentage Change from Prior Year |
|-------------|---------------------------|-----------------------------|-----------------------------------|
| 2000 | P.L. 106-113 | \$17.0 | — |
| 2001 | P.L. 106-522 | \$17.0 | 0.0% |
| 2002 | P.L. 107-96 | \$17.0 | 0.0% |
| 2003 | P.L. 108-7 | \$17.0 | 0.0% |
| 2004 | P.L. 108-199 | \$17.0 | 0.0% |
| 2005 | P.L. 108-335 | \$25.4 | 49.4% |
| 2006 | P.L. 109-115 ^a | \$32.9 | 29.5% |
| 2007 | P.L. 109-289 ^b | \$32.9 | 0.0% |
| 2008 | P.L. 110-161 | \$33.0 | 0.3% |
| 2009 | P.L. 111-8 | \$35.1 | 6.4% |
| 2010 | P.L. 111-117 | \$35.1 | 0.0% |
| 2011 | P.L. 111-242 ^c | \$35.1 | 0.0% |
| 2012 | P.L. 112-33 ^d | \$30.0 | -14.5% |
| 2013 | P.L. 113-6 ^e | \$28.4 | -5.0% ^f |
| 2014 | P.L. 113-46 ^g | \$28.4 ^h | 0.0% |

Source: Library of Congress, THOMAS, Status of Appropriations Legislation, <http://thomas.loc.gov/home/approp/app13.html>.

²⁶ See CRS Report R40122, *Federal Student Loans Made Under the Federal Family Education Loan Program and the William D. Ford Federal Direct Loan Program: Terms and Conditions for Borrowers*, by (name redacted), pp. 7–8.

²⁷ See *Federal Student Aid Handbook: 2013-2014*, vol. 3, Ch. 7, <http://ifap.ed.gov/fsahandbook/attachments/1314FSAHandbookCompleteActiveIndex.pdf>.

- a. P.L. 109-115 initially appropriated \$33.2 million for the DCTAG program in FY2006. P.L. 109-148 instituted an across-the-board rescission of 1%, which reduced the program appropriation to \$32.9 million, as shown.
- b. P.L. 109-289 was the first of four continuing resolutions (CRs) that funded DCTAG in FY2007. The other CRs maintained the DCTAG program's funding at the FY2006 level. See P.L. 109-369, P.L. 109-383, and P.L. 110-5.
- c. P.L. 111-242 was the first of several CRs that funded DCTAG in FY2011, all of which maintained the DCTAG program's funding at the FY2010 level. See P.L. 111-290, P.L. 111-317, P.L. 111-322, P.L. 112-4, P.L. 112-6, P.L. 112-8, and P.L. 112-10.
- d. P.L. 112-33 was followed by five CRs that maintained the \$30 million funding amount for DCTAG in FY2012. See P.L. 112-36, P.L. 112-67, P.L. 112-68, P.L. 112-77, and P.L. 112-74.
- e. P.L. 113-6 is a CR that provides funding through the end of FY2013. It was preceded by P.L. 112-175, which was a CR that that provided funding through March 27, 2013.
- f. FY2013 appropriations reflect the final amount appropriated, including the 5% across-the-board spending reduction authorized by the Budget Control Act of 2011 (BCA; P.L. 112-25), commonly referred to as "sequestration."
- g. P.L. 113-46 is a CR that provides funding for DCTAG through January 15, 2014.
- h. The FY2014 appropriations reflect the amount appropriated under the CR, including the 5% across-the-board spending reduction authorized by the BCA.

Because of the program's carryover authority, any funds remaining at the end of a fiscal year may be used to award grants in future years. **Table 3** details the available and expended funds for FY2012 and FY2013.

Table 3. DCTAG Funds Available and Expended, by Fiscal Year

| | FY2012 ^a (AY2011-2012) | FY2013 ^b (AY2012-2013) |
|--|--------------------------------------|--------------------------------------|
| Revenues | | |
| Carry Forward Funding | \$2,245,242 | \$2,666,464 |
| Federal Appropriation | \$30,000,000 | \$28,430,820 |
| Interest Earned | \$4,268 | \$8,705 |
| Contingency Cash Reserve from Local DC Budget | — | 9,200,108 ^c |
| Total Revenues | \$32,249,510 | \$40,306,097 |
| Expenditures | | |
| Total Expenditures | \$29,583,046 | \$29,729,855 |
| Carryover (with interest) | | |
| Total Carryover | \$2,666,464 | \$10,576,241 |

Source: Table made available by the DC Office of the State Superintendent of Education (OSSE), January 7, 2014.

- a. The FY2012 figures were provided by the OSSE and are based on actual data for the fiscal year ending September 30, 2012.

- b. The FY2013 figures were provided by the OSSE and are based on actual data for the year ending September 30, 2013.
- c. Additional funds from the District of Columbia's Contingency Cash Reserve Fund may be available to DC programs for nonrecurring or unforeseen needs. Such funds were provided to DCTAG in FY2013 when it became clear during the DCTAG eligibility screening process that potential funding obligations would exceed the budget. However, final expenditures did not actually require the additional funding, as fewer students enrolled than were eligible. DCTAG retained the funds because it anticipates that the growth in demand for DCTAG scholarships will require additional funding in future years.

Performance

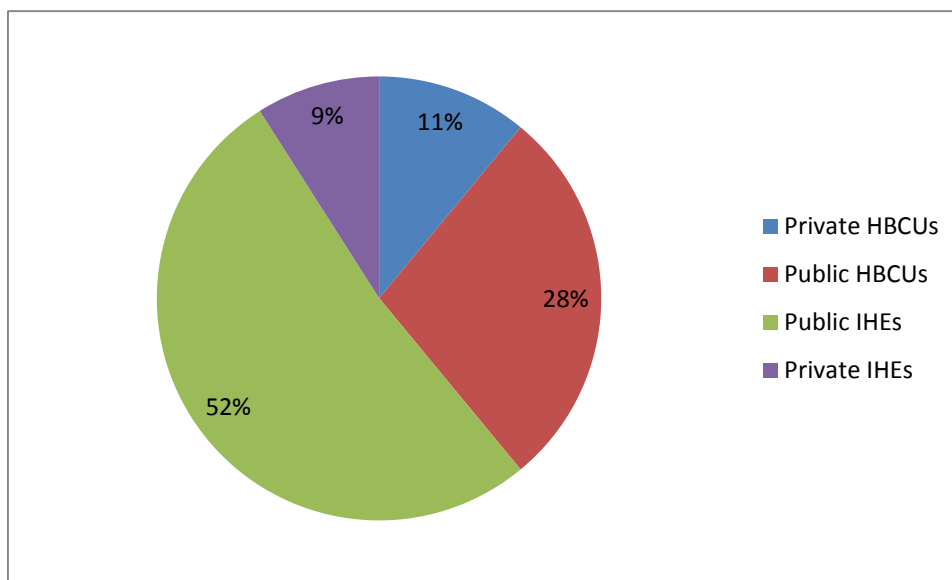
Aside from general administrative duties that the District of Columbia must fulfill under the DCTAG program, the mayor must submit to Congress an annual report detailing the number of eligible students served and the amount of grant awards disbursed, any reduction in grant size, and the credentials earned by eligible student cohorts. The Government Accountability Office (GAO) also is required to monitor the program, particularly with respect to barriers to enrollment for program participants and overall program efficacy. In 2005, GAO released a report that recommended actions be taken to improve the way in which student data are verified, the reconciliation of cash balances against financial management system totals, and the models used to predict yearly awards.²⁸ The District of Columbia's Office of the State Superintendent of Education reports that it has addressed all of GAO's concerns.²⁹

²⁸ U.S. Government Accountability Office, *District of Columbia: Financial and Program Management Improvements Needed for Tuition Assistance Grant Program*, GAO-06-14, November 2, 2005, p. 25, <http://www.gao.gov/assets/250/248373.pdf>.

²⁹ OSSE, *District of Columbia Tuition Assistance Grant Program: Accomplishments & Facts*, April 2012, p. 17, <http://osse.dc.gov/sites/default/files/dc/sites/osse/publication/attachments/DCTAG%20Accomplishments%20April%202012.pdf> (hereinafter *DCTAG Accomplishments 2012*).

Students Served

Figure 1. DCTAG Award by Institution Type
AY2011-2012



Source: OSSE, December 20, 2013.

As of April 2013, a total of 19,664 students have received approximately \$317.5 million in DCTAG awards and have attended over 600 IHEs in 49 states.³⁰ In AY2011–2012 alone, approximately \$33.4 million in DCTAG funds supported 5,253 students enrolled in postsecondary institutions.³¹ In AY2011-2012, DCTAG recipients primarily choose to attend public IHEs and public HBCUs, as **Figure 1** shows.

In the fall of 2010, 2,503 District of Columbia residents who had graduated from high school within the previous 12 months enrolled in Title IV-eligible two- or four-year degree-granting IHEs as freshmen.³² That same year, 1,448 recent graduates from Washington, DC, high schools received first-time DCTAG awards (see **Table 4**), meaning that approximately 58% of the recent high school graduates from Washington, DC, who enrolled as freshmen at eligible IHEs in 2010 received DCTAG funds. This figure does not include those students who enrolled at ineligible institutions or otherwise did not meet eligibility requirements. Therefore, the DCTAG program

³⁰ OSSE, *District of Columbia Tuition Assistance Grant Program: Accomplishments & Facts*, July 2013, p. 2, available at <http://osse.dc.gov/sites/default/files/dc/sites/osse/publication/attachments/DCTAG%20Accomplishments%202013.pdf> (hereinafter, *DCTAG Accomplishments 2013*). Due to varying degrees of program data availability, both the 2012 and 2013 DCTAG Accomplishments reports are cited in this report to provide consistency.

³¹ *DCTAG Accomplishments 2013*, p. 15. These figures vary somewhat from those provided in **Table 3**, which were provided to CRS by the OSSE in December, 2012, several months prior to the availability of these most recent figures.

³² U.S. Department of Education, National Center for Education Statistics, *Digest of Education Statistics, 2012*, Table 259, “Residence and Migration of All First-Time Degree/Certificate-Seeking Undergraduates in Degree-Granting Institutions Who Graduated from High School in the Past 12 Months, by State or Jurisdiction: Fall 2010,” http://nces.ed.gov/programs/digest/d12/tables/dt12_259.asp.

does appear to assist a relatively large number of those students choosing to pursue a postsecondary education at eligible IHEs shortly after graduating high school in financing their postsecondary education.

Awards Versus High School Enrollment

According to data collected in the American Community Survey, during the period from 2010 to 2012, an average of approximately 85% of District of Columbia residents who were enrolled in grades 9-12 attended public schools and 15% attended private schools.³³ According to DCTAG program data, from AY2006–2007 through AY2011–2012, approximately 68% of DCTAG recipients had attended a DC public or charter high school, whereas approximately 27% had attended private schools.³⁴

Since its inception, DCTAG participation has increased, and the number of recent high school graduate participants also has increased significantly; however, participation rates have leveled off somewhat in recent years, as shown in **Table 4**.

Table 4. Number of First-Time DCTAG Recipients Who Recently Graduated High School, by Academic Year

| 2000-2001 | 2001-2002 | 2002-2003 | 2003-2004 | 2004-2005 | 2005-2006 | 2006-2007 | 2007-2008 | 2008-2009 | 2009-2010 | 2010-2011 | 2011-2012 | 2012-2013 | Total |
|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|--------------------|--------|
| 714 | 842 | 931 | 1,015 | 1,135 | 942 | 1,165 | 1,266 | 1,437 | 1,495 | 1,448 | 1,436 | 1,470 ^a | 15,296 |

Source: OSSE, December 20, 2013, and previous years.

Notes: Recently graduated students are defined here as those who completed high school the academic year immediately prior to enrolling in college.

a. The FY2012-2013 number is based on available data and subject to change.

Grants by Ward

The District of Columbia is divided into eight subdivisions, or wards, each of which is home to approximately 75,000 residents.³⁵ Every ward is represented in the DC Council by an elected councilmember, making wards discrete political units. Because household income, educational attainment, and other social factors vary greatly among the wards, measures of social equity are often calculated by ward.

³³ U.S. Census Bureau, American FactFinder, American Community Survey, School Enrollment by Level of School by Type of School for the Population 3 Years and Over, 2010-2012, http://factfinder2.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS_12_3YR_C14002&prodType=table.

³⁴ In the same timeframe, approximately 3% of DCTAG recipients attended public school outside of the District. These recipients included Wards of Court and students whose parents shared custody. The remaining 2% of DCTAG recipients comprises students who were home schooled, who completed a GED program, or whose high school enrollment was “unknown.” *DCTAG Accomplishments 2013*, p. 4.

³⁵ The District of Columbia Government, *Indices: A Statistical Index to District of Columbia Services*, December 2011, p. 70, <http://dpr.dc.gov/DC/Planning/Planning%20Publication%20Files/OP/State%20Data%20Center/Reports/Indices%202011/Chapter%202.pdf>.

OSSE data demonstrate how awards have been distributed across wards in the past several years. **Table 5** compares the average median family income and the percentage of DCTAG recipients within each ward. The data seem to indicate that those wards with the lowest average median family income (i.e., wards 4, 5, 7, and 8) have a higher percentage of DCTAG recipients than those wards with the highest median family income (i.e., wards 1, 2, 3, and 6).

Table 5. Five-Year Average Median Family Income and DCTAG Awards, by Ward

| | Ward 1 | Ward 2 | Ward 3 | Ward 4 | Ward 5 | Ward 6 | Ward 7 | Ward 8 |
|---|----------|-----------|-----------|----------|----------|-----------|----------|----------|
| Average Median Family Income 2007-2011 ^a | \$81,321 | \$150,200 | \$177,127 | \$77,372 | \$61,570 | \$111,088 | \$46,918 | \$32,217 |
| Share of DCTAG Awards 2007-2012 | 6.4% | 3.7% | 10.0% | 20.8% | 17.0% | 8.6% | 18.5% | 14.5% |

Source: CRS analysis based on data from OSSE, *DCTAG Accomplishments 2013*, p. 6; U.S. Census Bureau, American FactFinder, 2007-2011 American Community Survey 5-year Estimates, Selected Economic Characteristics, Individual Reports for Wards 1-8, District of Columbia.

- a. The median family income for each was determined by calculating the simple average of each year's median family income and adjusted for inflation.

Graduation Rates

The most recent OSSE data available show that the six-year undergraduate graduation rate for DCTAG recipients is slightly below the national average.³⁶ For instance, for the 2005 cohort, nationwide, 58.3% of students completed their bachelor's degree within six years of enrollment, whereas 48.5% of DCTAG recipients completed their bachelor's degree within six years of enrollment.³⁷

Analysis of Grant Benefits

While there has been a substantial increase in the amount appropriated for the DCTAG program from its inception (see **Table 2**), there has been no change to the maximum award size in response to the trend of rising postsecondary education costs, which may be leaving many program participants paying more per year for their education than in previous years or possibly limiting their choices of which institution to attend. The extent to which DCTAG awards may be covering a declining amount of the differential between in-state and out-of-state tuition is a commonly raised concern about the DCTAG program. This section of the report examines the extent to which the maximum award may be bridging the gap between in-state and out-of-state tuition. It also examines growth in maximum awards as a share of all awards.

³⁶ Six-year graduation rate is defined as those first-time, full-time students who began pursuing a bachelor's degree at a four-year institution and completed the bachelor's degree within six years of the start date.

³⁷ *DCTAG Accomplishments 2013*, p. 17.

Public Institutions of Higher Education

Most DCTAG recipients choose to attend a public IHE,³⁸ for which they can receive up to \$10,000 per year towards the difference between in- and out-of-state tuition. Even though the number of DCTAG recipients on the whole has remained relatively stable, there has been a noticeable increase in the number of \$10,000 awards disbursed each year since 2004,³⁹ as shown in **Table 6**. The nationwide increase in tuition and fees may be contributing to this upturn in maximum awards received,⁴⁰ although there may be other factors that impact this, such as students' choices to attend four-year IHEs rather than two-year IHEs.

Table 6. DCTAG Enrollment and Number of \$10,000 Awards, by Academic Year

| | 2004- 2005 | 2005- 2006 | 2006- 2007 | 2007- 2008 | 2008- 2009 | 2009- 2010 | 2010- 2011 | 2011- 2012 |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| DCTAG Enrollment | 4,759 | 4,631 | 4,452 | 4,580 | 4,686 | 5,070 | 5,103 | 5,253 |
| Number of \$10,000 awards | 922 | 1,059 | 1,010 | 1,223 | 1,384 | 1,508 | 1,518 | 1,521 |
| Percentage of participants receiving \$10,000 awards | 19.4% | 22.9% | 22.7% | 26.7% | 29.5% | 29.7% | 29.7% | 28.9% |

Source: Compiled using data from OSSE, *DCTAG Accomplishments 2013*, pp. 3 and 13 and data provided by OSSE, December 20, 2013.

In AY2011-2012, 66% of those DCTAG recipients who received the maximum annual DCTAG award of \$10,000 enrolled at public four-year IHEs in Delaware, Maryland, North Carolina, Pennsylvania, and Virginia (regional IHEs). Moreover, most of those students enrolled in a small number of those regional IHEs. For instance, **Figure 2** shows that of the 978 students who received the maximum \$10,000 DCTAG award and attended a regional IHE in AY2011-2012, 528 (54%) attended one of six schools: Pennsylvania State University, University Park; Bowie State University; George Mason University; Norfolk State University; the University of Maryland, College Park; and Virginia Commonwealth University; the other 450 (46%) students who received the maximum award attended 53 other regional IHEs.⁴¹

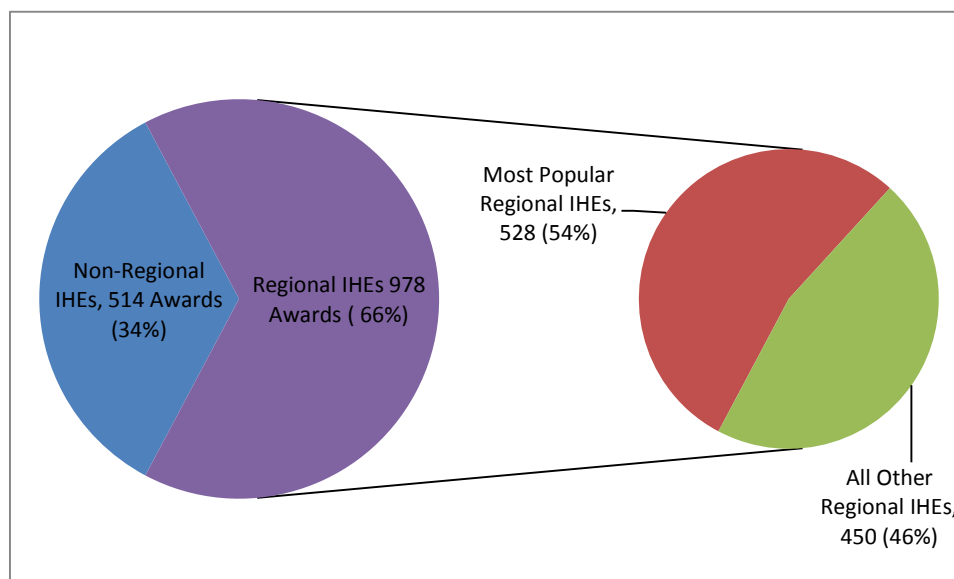
³⁸ See **Figure 1**.

³⁹ DCTAG funds were not disbursed to students until AY2000-2001 and the program was still in the initial implementation phase at that time, not necessarily operating at full capacity; therefore, the first few years of program details may not be representative of the DCTAG program when fully operational and were not included in **Table 6**.

⁴⁰ In this analysis, it is assumed that a \$10,000 award is indicative of the in- and out-of-state tuition differential exceeding \$10,000.

⁴¹ OSSE, December 20, 2013.

Figure 2. AY2011-2012 Number of Maximum DCTAG Awards at Public Four-Year IHEs, by Location



Source: Compiled using data provided by the OSSE, December 20, 2013.

The average in- and out-of-state tuition differential for these six most-attended regional IHEs was \$14,092; therefore, on average, a DCTAG recipient who attended one of these schools and who received the maximum annual award would still face a gap of an average of \$4,092 in out-of-state tuition.⁴²

To meet the program’s stated purpose of providing access to a greater range of postsecondary educational options, Congress could consider increasing the maximum annual DCTAG award to account for the in- and out-of-state tuition differential at popular regional public IHEs at which many DCTAG recipients are receiving the maximum annual award, currently, a differential of approximately \$14,100 per year. Such a decision would likely be weighed in relation to competing demands for resources. Alternatively, Congress could consider better matching individual students’ financial need to DCTAG funds awarded through means testing or by lowering the current \$1 million income cap for participation.

Private Nonprofit Schools and Private HBCUs

Tuition and fees at private not-for-profit four-year IHEs also have grown considerably since DCTAG was created, but the maximum annual award—\$2,500—has not increased. **Table 7** shows that, since AY2004-2005, the median tuition and fees⁴³ for such institutions in the District of Columbia has increased by 42.5%,⁴⁴ while the percentage of DCTAG recipients enrolled in DC area private not-for-profit four-year IHEs in each year has decreased slightly.

⁴² An analysis of popularly attended regional IHEs is provided because data allowing for a weighted average of the differential faced by maximum award recipients across all IHEs are not readily available.

⁴³ The dollar amounts of tuition and fees in this analysis are not adjusted for inflation.

⁴⁴ DCTAG funds are available for study at private Title IV-eligible IHEs only in the DC metropolitan area. DC institutions alone have been selected to demonstrate the regional trend.

Table 7. DCTAG Participants Enrolled in and Median Full-Time Enrollment Undergraduate Tuition and Fees at District of Columbia Private Not-for-Profit Title IV-Eligible Four-Year IHEs

| | Academic Year 2004–2005 | Academic Year 2011–2012 | Difference | Percentage Change |
|------------------------------------|----------------------------|----------------------------|------------|----------------------|
| Tuition and Fees | \$23,025 | \$32,800 | \$9,775 | 42.5% |
| DCTAG Participants ^a | 469 | 489 | 20 | 4.3% |
| Share of DCTAG Participants | 9.9% | 9.3% | — | — |

Source: Compiled using the National Center for Education Statistics’ Integrated Postsecondary Education Data System, December 23, 2013, <http://nces.ed.gov/ipeds/datacenter/>, and data provided by the OSSE, December 20, 2013.

- a. The number of DCTAG participants presented in this table represents the aggregate number of students enrolled full-time and part-time.

Table 8 shows a similar but slightly more pronounced result for DCTAG participants choosing to attend private not-for-profit four-year HBCUs. Since AY2004-2005, the median tuition and fees at such institutions has increased by 34.6%, while the percentage of DCTAG recipients attending has decreased by 2.6%.

Table 8. DCTAG Participants Enrolled in and Median Full-Time Enrollment Undergraduate Tuition and Fees at Private Not-for-Profit Title IV-Eligible Four-Year HBCUs

| | Academic Year 2004-2005 ^a | Academic Year 2011–2012 | Difference | Percentage Change |
|---------------------------------|---|----------------------------|------------|----------------------|
| Tuition and Fees | \$9,816 | \$13,210 | \$3,394 | 34.6% |
| DCTAG Participants ^b | 581 | 566 | -15 | -2.6% |
| Share of DCTAG Participants | 12.2% | 10.8% | — | — |

Source: Compiled using the National Center for Education Statistics’ Integrated Postsecondary Education Data System, December 23, 2013, <http://nces.ed.gov/ipeds/datacenter/>, and data provided by the OSSE, December 20, 2013.

- a. The District of Columbia College Access Improvement Act of 2002, P.L. 107-157, which amended the DCTAG program to provide awards to assist students with paying the tuition and fees for any private HBCU nationwide was passed in 2002; however, funds were retroactively disbursed to students attending private HBCUs in AY2001-2002. Because the students likely did not know of the potential awards upon choosing to attend a private HBCU in AY2001-2002, these figures were not included in this table. Rather, a later academic year in the program’s existence was chosen, as it is likely more representative of students’ school choices.
- b. The number of DCTAG participants presented in this table represents the aggregate number of students enrolled full-time and part-time.

Although the increase in tuition and fees at DC private nonprofit IHEs and private HBCUs nationwide may not have deterred DCTAG recipients from attending such schools, the unchanged \$2,500 award does not go as far as it did 10 years ago, thereby causing recipients to pay more out-of-pocket costs than in years past.

Appendix. Other Higher Education Support Programs for District of Columbia Residents

In addition to federal student aid, there are several other programs that are available to residents of Washington, DC:

- The District of Columbia College Access Program (DC CAP)⁴⁵ is a nonprofit organization that was founded in 1999 to encourage and enable DC high school students to enroll in postsecondary schools and provides them with educational counseling and financial assistance to help them succeed. In partnership with the District of Columbia Public School system (DCPS), District of Columbia charter schools, and OSSE, DC CAP serves DC high school students, primarily from low-income, minority, and single-parent households, during both high school and college, through counseling, seminars, and preparatory programs. In addition, the organization offers high school graduates need-based Last Dollar Awards of up to \$2,070 per student per year for up to five years to cover unmet college expenses.
- DC Adoption⁴⁶ provides scholarships to students who were adopted from the DC Child & Family Services Agency after October 1, 2001, and students who lost one or both parents as a result of the events of September 11, 2001. Students may receive up to \$10,000 toward the cost of postsecondary education per year for up to six years.
- The Mayor’s Scholars Undergraduate Fund provides need-based grants to eligible DC residents, which they can apply towards the cost of pursuing their first undergraduate degree at a public or private institution located within DC. Grants can equal up to \$3,000 at the University of the District of Columbia (UDC) Community College, up to \$7,000 at UDC, and up to \$10,000 at private institutions. Individuals who receive DCTAG assistance are also eligible to receive Mayor’s Scholars Undergraduate Fund grants. The program was first announced in October 2012 and began operating in FY2013.⁴⁷

⁴⁵ DC CAP, *14 Year Report Card, 1999-2013*, http://www.dccap.org/files/dc-cap_14year_annual_14thc.pdf.

⁴⁶ District of Columbia, State Education Office, *Accomplishments Report 2000-2006*, 2006, p. 22, http://osse.dc.gov/sites/default/files/dc/sites/osse/release_content/attachments/10850/AccomplishmentsReportSinglepages407.pdf.

⁴⁷ DC Office of the State Superintendent of Education, “Mayor Gray and OSSE Announce First-ever DC College Fund,” press release, October 5, 2012, <http://osse.dc.gov/release/mayor-gray-and-osse-announce-first-ever-dc-college-fund>; D.C. Office of the State Superintendent of Education, “DC Mayor’s Scholarship Undergraduate Fund,” <http://osse.dc.gov/service/dc-mayor%E2%80%99s-scholarship-undergraduate-fund>.

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