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January 1996

Financial Issues and Resources: College Students from Under-Represented Groups

A Never-Ending Paper

The purpose of this open-ended paper is to summarize reports, programs, and practices concerning financial assistance for students in higher education and in preservice preparation programs in general education, special education, and related services. As this paper expands, we hope that readers may use it: (a) to acquire ideas for initiating or improving their own practices; (b) to review cited literature in its entirety; and/or (c) to contact individuals who have developed programs or practices that are of interest. Where evidence of effectiveness is available, this is included in the summaries; otherwise, readers should inquire about the results of programs and otherwise determine their usefulness to their own contexts.

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Issues and General Recommendations

The Shift from Grants Toward Loans

In 1994, Terry W. Hartle wrote that loans under the federal government's Direct Loan Program had nearly doubled in five years (from $12.3 billion in fiscal year 1990 to $22.5 billion in fiscal 1994), and that the number of these loans increased from 4.5 million to an estimated 6.6 million during the sam period. While the availability of student/family loans for higher education has been increasing, the availability of grants for this purpose has been declining. "In 1980, roughly $4.8 billion was borrowe under the loan program and $2.4 billion was awarded in Pell Grants. Thus, roughly two dollars wer borrowed for every one dollar in grants. The difference widened during the 1980s, so that by 1990, two and a half dollars were borrowed for every dollar in Pell Grants" (p. A52), and, for fiscal 1995, th U.S. Department of Education projected $24.3 billion for loans and $6.4 billion for Pell Grants (a rati of 3.8 to 1).

Hartle reflected on the 1991 concerns of Senator Claiborne Pell (then Chairman of the Senate Subcommittee on Education, Arts, and the Humanities) concerning this imbalance, relative to the reauthorization of the Higher Education Act.

> The problem, the distinguished Rhode Island Democrat suggested, was that the federal student-loan program was an entitlement, guaranteeing any eligible student the right to borrow money, while the Pell Grant program was discretionary, which left the neediest students at the mercy of the annual appropriations process. Mr. Pell advocated making the grants an entitlement program, too. (p. A52)

According to Hartle, this situation raises several issues. For one thing, the new government by-wor of "Let the beneficiaries pay," has transferred to students the financing of a college education, and ha also led legislated tuition increases at the state level over the past several years. Although students benefit, the public also benefits by more participation in higher education, and economists have shown the social and private rates of return to be approximately equal. "Given a virtually identical return, one can make a strong case that public and private investment in higher education ought to b at least equal. In the area of student aid now, though, private investment (loans) is way up and public investment (Pell Grants) is down. In theory, of course, the declining federal share of public investment could be offset by increases in state and local support for grants, but that is not happening" (p. A52).

Another issue is the ability of students to repay their loans without undue hardship, which depends on their post-graduation income, which, in turn, is related to overall economic developments. Although students currently have a choice of four repayment plans, "the 'Contract With America' endorsed by many House Republicans . . . would eliminate the so-called in-school interest subsidy, which amounts to forgiveness of the interest on most federal loans while students are enrolled in college. The Republican proposal would let the interest accrue and be added to the balance due when the borrower starts repayment. This is not a new idea, but it is a costly one for students: most borrowers would see their indebtedness jump by 20 or more percent if it were adopted" (p. A52).

Finally, Hartle believes that greater reliance on loans is leading to other changes affecting higher education, such as the following:

- " Students are likely to work more than ever before, in an effort to minimize indebtedness, so part-time enrollment will continue to grow.
- Student borrowers will need even more counseling than they get now about loan repayment options.
- Getting that all-important first job is likely to become even more of a concern for students, an many colleges will need to upgrade their job placement efforts.
- More and more students will postpone or abandon plans for graduate school, because of actual or anticipated debts.

Although Hartle does not mention this consequence, it is also true that students will doubtless evaluate career choices in terms of future income available for repaying debts for the training that le to it. The effect of this evaluation on the supply of teachers remains to be examined.

Hartle, T. W. (1994, November 9). How people pay for college: A dramatic shift. *The Chronicle of Higher Education*, XLI(11), A52.

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Average Tuition Rates and Increases: 1994

According to The College Board's 1994 survey of higher education institutions, 1994-95 tuition rates increased at the lowest rate since 1989. "Since 1991-92, average annual percentage increases in tuitio and fees, based on enrollment, have dropped from 13 to 4 percent at two-year public institutions, from 12 to 6 percent at four-year public institutions, from 6 to 5 percent at two-year private institutions, and from 7 to 6 percent at four-year private institutions" (p. 1).

Other findings showed that undergraduate tuition ranged from $151 to $702 more in 1994-95 than ir the prior year at four-year institutions, and $53 to $283 more at two-year institutions. Increases in tuition continue to outpace inflation. Further, the cost of on-campus room and board at four-year institutions showed an average increase of $90 to $188 between 1993-94 and 1994-95.

Composite data from the survey include the following:

	1994-1995 Averages			
Cost Items	Public Two-Year Institutions	Private Two-Year Institutions	Public Four-Year Institutions	Private Four-Year Institutions
Tuition and fees	$1,298 4% increase	$6,511 5% increase	$2,686 6% increase	$11,709 6% increase
Room and board	Not reported	Not reported	$3,826 4% increase	$4,976 4% increase

The article reporting on the study states that "the risk is that, as the balance shifts more and more toward loans and away from grants, the most disadvantaged students will increasingly look to options other than college" (p. 1).

The College Board. (1994, December). College costs edge up; grant-loan imbalance accelerates. *College Board News*, 23(2), 1, 4.

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Financial Aid Versus Loans in Retention of Under-Represented Students

A preliminary report to Congress by the U.S. General Accounting Office states that "Black and Hispanic students are more likely to drop out of college if they receive most of their financial aid in the form of loans, rather than grants . . . (and that) . . . giving Black and Hispanic students an additional $1,000 grant in a given semester lowers by about 7 percent the probability that they will drop out of college. The report found that similar increases in loans have a negligible effect on students' persistence" (p. A-28). Although positive effects of grants (in comparison with loans) were also seen among white students, the impact was less significant. The study leading to these conclusions involved data on 3,500 students graduating from high school in 1980 and enrolling in college. The records of these students were tracked through 1986. Subjects did not include sufficie Asian American or American Indian students for analysis. A GAO spokesperson was quoted as saying that "the report demonstrated that cuts in federal grant programs had disproportionately hu African American and Hispanic students" (p. A-28).

Carmona, J. (1994, May 25). Minority students who depend on loans more likely to drop out. *The Chronicle of Higher Education*, XL(38), A-28.

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Minority-Targeted Scholarships

Minority targeted scholarships -- which require some form of minority status as an eligibility criterion -- have been a subject of some controversy and have been described as a practice in reverse discrimination. A study by the United States General Accounting Office has found that, although many schools awarded minority scholarships in 1991-92, these scholarships accounted for a small proportion of scholarships and scholarship spending in that academic year. The study also found that few schools used race or ethnicity as the only factor in awarding such scholarships. Most used additional criteria, such as financial need or academic merit. But students receiving minority scholarships based on race or ethnicity comprised a small percentage of all racial or ethnic minority students. Schools that used minority-targeted scholarships extensively reported finding them very important in recruiting, retaining, and graduating students from racial or ethnic minority groups.

> "Minority targeted scholarships helped schools to recruit, retain and graduate minority students in a number of ways, according to the officials we interviewed at schools that used MTS to a great extent. First, these scholarships provided a financial benefit that could influence minority students' enrollment decisions. This financial benefit was especially important when (a) the school's total cost of attendance was high, such as at many private schools, and (b) the students had financial need, which was a common eligibility criterion for receiving a minority targeted scholarship. In addition, most of these scholarships were renewable for the full number of years that students would normally take to graduate. Thus, minority targeted scholarships

provided a continued financial support that could mean the difference, for some minority students, between continuing their studies or leaving school.

"Second, officials at these . . . schools indicated that minority targeted scholarships helped with recruitment and retention by sending a message that a school was serious about wanting minority students to enroll and complete their degrees. These scholarships, officials said, provided minority students with evidence of a school's support for diversity – more tangible evidence than an affirmative action statement printed in a school recruitment brochure. In addition, minority-targeted scholarships also helped with the recruitment and retention of minority students other than those students who actually received the awards. At several schools we visited, officials said these scholarships helped to achieve a critical mass of minority students, making the school a more attractive place to enroll for minority students not receiving these scholarships. This critical mass also meant that, once minority students enrolled, they were less likely to feel isolated and more likely to persist in their studies/. . . Officials cited a variety of other factors that also helped recruit and retain minority students. Some of these other factors included: (a) an aggressive minority recruitment campaign; (b) minority student associations on campus; (c) minority administrators and faculty members who served as role models for minority students; and (d) academic support services for minority students having trouble with their classes" (p. 10).

Morra, L. G., Director, Education and Employment Issues, U.S. Government Accounting Office. (1994). *Information on minority targeted scholarships: Report to Congressional requesters.* Washington, DC: United States General Accounting Office, pp. 1-10.

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<u>Restructuring Student Aid to Reduce Attrition of Low-Income Students: Results of a Study</u>

The U.S. General Accounting Office (GAO) has reported on its study of low-income students to determine the relative effects of grant and loan aid throughout a student's academic career and also year by year. The study was designed to answer the following questions:

1. Do grants and loans have equivalent effects on helping low-income students to stay in college?

2. Does the timing of grant aid influence the length of time that low-income students stay in college?

To answer these questions, the GAO "analyzed two student level databases to examine the statistica relationship between grants, loans, and staying in college. One database comprised a national sample of higher school seniors who began full-time study at four-year colleges (the High School an Beyond survey of the National Center for Education Statistics); these students were traced through college. The other database consisted of a group of relatively low-income freshmen from a large public four-year university that front-loaded some of its institutional grant dollars as part of a program to improve these students' dropout rates" (p. 2). (Front-loading means giving students mostly grant aid in the first year and increasingly substituting loan aid in subsequent years, culminating in an aid package consisting mostly of loans in the final school year.)

This second database provided five years of data on a cohort of students who began as full-time, firs year students in 1988-90 when the front-loading practices was first established. In addition, the GA convened a discussion panel of financial aid directors from twelve colleges and universities, and als interviewed 51 students from these colleges and universities concerning their financial aid packages how working at jobs has affected their college studies, and their views on debt accumulation for college education. Results of this work showed that the composition of financial aid packages and the timing of particular types of financial aid do influence outcomes for low-income students. Gran aid was effective in reducing college attrition among low-income students, but loan aid was not effective. Further, grant aid was most effective with low-income students during the first year of college, but its efficacy declined in the second and third years in terms of retention. The university front-loading programs that was studied underscored this finding; students who received front-loaded aid (grants in the first year, with loans phased in subsequently) had a lower dropout probability than did other comparable students. The statistical operations of the study showed the following:

- "<u>Grants versus loans.</u> Grants significantly reduced dropout probabilities for low-income students. In the High School and Beyond database sample, an additional $1,000 in grant aid for a low-income student reduced the dropout probability by 14 percent for the award year. Loans did not have a statistically significant effect for this group -- a commensurate increase i loans did not significantly affect the student's probability of dropping out" (p. 7).

- "<u>First-year students.</u> Grants were most effective in reducing low-income students' dropout probabilities in the first year. For these students, an additional $1,000 grant in the first year reduced the dropout probability by 23 percent. In the second year, the additional grant reduced the dropout probability by 8 percent, while, in the third year, it had no statistically discernible effect" (p. 7).

- "<u>Front-loading grants.</u> The university's program for high-need freshmen, which included front-loading grants, had a significant effect on reducing dropouts. Program participants we 39 percent less likely to drop out in a year than were non-participants. For the lowest income students, those below the poverty line, the program reduced the dropout probability by 64 percent" (pp. 7-8).

Upshaw, W. B., & Spaulding, J. W. (1995, March). *Higher education: Restructuring student aid could reduce low-income student dropout rate.* Washington, DC: United States General Accounting Office (GAO/HEHS-95-48).

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<u>Financing Strategies</u>

A review of statistics on college participation among members of historically under-represented groups (Haupton & Smith, 1994) has led to the identification of the following strategies and critique:

<u>Strategy: Expansion of minority-only student aid programs.</u> Although this approach has merits, it also presents problems. "One is that it is difficult to achieve adequate funding levels for programs that single out a particular group of students for assistance on the basis of their skin color or nationality and that exclude other students in similar financial circumstances. For that reason, it has been easier to achieve greater levels of funding for programs like the Pell Grant program, since funds are awarded to disadvantaged students of all ethnic and racial groups. In addition, if it is the case, as the data seem to suggest, that low rates of participation are tied as much or more to socioeconomic status and preparedness than to ethnic/racial affiliation per se, then well-funded

programs for the disadvantaged would achieve the same goal but have broader public support than limited-funded programs that are designed solely for minority groups of students" (p. 94).

Strategy: Maintaining low tuition policies at public institutions. "Low tuition policies, by anc large, are not a very efficient way of targeting subsidies on lower-income students in that all student who attend a public institution benefit from the low tuition. Moreover, if the low tuition is not accompanied by grants that offset the costs of tuition and living expenses, then disadvantaged students find they have mounting out-of-pocket costs that can serve as a financial obstacle to their continued attendance" (p. 95).

Strategy: Increasing grant aid. "One of the most discussed and distressing trends in higher education over the past decade has been the growing imbalance between grants and loans as a sourc of student financial aid" (p. 95) . . . If "new funds were used to increase the award received by the neediest students, then the increased grant funds could have the effect of increasing access for extremely disadvantaged students. But if the maximum award is increased and all eligible students receive increases in awards, the price can be very expensive -- for example, it presently costs about $270 million to increase the Pell maximum award by $100" (p. 96).

Strategy: Providing earlier notification and assurance of awards. "Assuring junior high schoo students that their college costs will be met appears to be a powerful incentive. . . . This early awareness was an important component of the initial thinking behind the Pell Grant program when was enacted as Basic Education Opportunity Grants. The notion in the early 1970s was that student and their families would know as early as ninth grade about their eligibility for Basic Grants. But th reality of the program has never matched the promise of funding constraints . . . (and) students typically do not know until the summer before they matriculate how much they might receive" (p. 97). "Another aspect of a successful early intervention strategy is to provide disadvantaged student with better information on their financial aid opportunities. Regrettably, in the current student aid structure, the students who are most in need are too often the ones who receive the least reliable information on what aid is available. . . . But in those cities and schools where a substantial investment has been made in providing more and better counseling and information, and where the parents of students are emphatically brought into the process, college participation rates have improved" (p. 98).

Strategy: Pursuing policies that encourage persistence. "The current system of financial aid is more geared to providing students with access to college education than it is to providing them witl a reasonable chance for completion of their degree. . . . One means for moving in the direction of greater persistence, especially among low-income and minority students, is to devote resources for support services such as tutoring and counseling, (since) . . . lack of preparedness is a principal obstacle to greater minority enrollment and retention" (p. 99). The federal TRIO programs address this purpose, but "funding levels are clearly inadequate to serve all those needing such services. Onl about one in ten eligible students ever receives assistance" (p. 99). "One way to clarify the current situation would be gradually to convert existing TRIO legislative authority into a demonstration program, limiting eligibility of new grantees to a set number of years, after which the institutions (and in the case of Talent Search and Upward Bound, community groups would be expected to assume funding for the program operations). Also, colleges might be required to provide a minima level of support services for the federal aid recipients" (p. 100). "Another key aspect of improving retention in American higher education is to increase the number of students in two-year institution who transfer into four-year institutions and receive a baccalaureate degree" (p. 100).

Strategy: Neutralizing the negative impact of borrowing. "The trend toward increased reliance on borrowing has produced at least two serious problems. One is the well publicized increase in defaults, and the other is an incentive for students to enroll in shorter-term programs to minimize borrowing" (p. 102). "The benefits of (current programs of) loan consolidation . . . could be extended to low-income borrowers through a program of 'low-income' insurance.' Under such an approach, borrowers whose debt repayment exceeded a percentage of their income could apply for relief through graduated and extended repayment terms or possibly could pay a set percentage of their income until their obligation was met" (p. 102).

Haupton, A., & Smith, P. (1994). Financial aid strategies for improving minority student participation in higher education. In M. J. Justiz, R. Wilson, & L. G. Bjork. *Minorities in higher education.* Phoenix, AZ: Oryx Press. (Part of the American Council on Education's Series on Higher Education).

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Federal Financial Aid Programs

The Federal TRIO Programs for Students from Disadvantaged Backgrounds

TRIO refers to six Department of Education discretionary grant programs that focus on students from families whose incomes fall below 150 percent of the poverty level, where neither parent graduated from college. The five programs that provide direct services to students are described below; the sixth is a training program for TRIO staff.

Educational Opportunity Centers (EOCs) provide information on opportunities for postsecondary enrollment to low-income adults, often concentrating their services on displaced or under-employed workers. EOCs assist their clients in making informed choices among institutions, as well as informed choices regarding financing their education. EOC staff assist students in applying for available financial assistance and in minimizing their reliance on student loans.

The Ronald E. McNair Post-Baccalaureate Achievement Program began in 1989-90 to encourage low-income and minority undergraduates to consider careers in college teaching and prepare for doctoral study. The program emphasizes providing research opportunities for the McNair scholars and faculty mentors who facilitate attainment of students' academic goals.

Student Support Services projects operate at colleges and universities to increase the retention and graduation rates of low-income, first-generation students and to increase the number of students who transfer from two-year to four-year institutions. Students enrolled in Student Support Services programs receive academic counseling and personal support from professionals familiar with the difficulties low-income and minority students encounter on campus, as well as tutoring and remedial instruction. In 1991, the U.S. Department of Education made available special funds so that Student Support Services programs could be established at junior and community colleges to intensify their efforts to motivate and prepare students for transfer to four-year institutions. This was done in response to the very low baccalaureate attainment rates of low-income and minority students who began their higher education at two-year institutions.

Talent Search projects are operated by higher education institutions and community-based agencies to work with young people from junior high school through college enrollment. Talent Search counselors work with students and their parents to encourage them to consider college, make sure they take college preparatory courses, and assist them in completing admissions and financial aid applications. All Talent Search projects have junior high school components.

Upward Bound provides intensive academic and personal support to motivate and prepare low-income and other first-generation students for college. Most of these projects are on college and university campuses, where students receive instruction in literature, composition, mathematics, an science. Instruction is scheduled both after school and on Saturdays during the academic year; during the summer, students live on campus and attend classes full-time.

In the summer of 1991, the U.S. Department of Education began a special initiative to establish regional Upward Bound Mathematics and Science Centers throughout the country. In addition to th traditional Upward Bound program, these centers stress mentoring by professionals working in the sciences and research opportunities for low-income and minority high school students.

Contact: TRIO Programs, Office of Postsecondary Education, U.S. Department of Education, 400 Maryland Avenue, SW, Washington, DC 20202.

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Robert C. Byrd Honors Scholarship Program

This program awards up to $1,500 per year for up to four years of postsecondary students to at least ten students per state who demonstrate outstanding academic achievement and show promise of continued excellence.

Contact: State education agency office responsible for public elementary and secondary education.

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National Science Scholars Program

This program offers scholarships of up to $5,000 per year of undergraduate study, or the cost of education, whichever is less, to two students from each Congressional district. Recipients must be graduating high school seniors with demonstrated excellence and achievement in the physical, life, computer sciences; mathematics; or engineering.

Contact: State education agency office responsible for public elementary and secondary education.

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Paul Douglas Scholarship Program

This discretionary grant program provides funds to States to use for scholarships to outstanding secondary school graduates who demonstrate an interest in teaching, in order to enable and encourage them to pursue teaching careers in education at the preschool, elementary or secondary level.

Contact: State education agency office responsible for public elementary and secondary education.

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Federal Pell Grants

Pell Grant Awards help undergraduate students to pay for their postsecondary education. Pell Grants do not have to be paid back, and can provide basic financing to which other forms of financia assistance may be added. Eligibility is based on a formula that determines Expected Family Contribution (EFC), or the cost of education, less the expected family contribution (based on family income), resulting in amount of financial need. For 1993-94, the maximum Pell Grant award was $2,300.

Contact: Federal Student Aid Information Center, P.O. Box 84, Washington, DC 20044; 1-800-4-FED AID (1-800-433-3243 (toll free).

U.S. Department of Education. (1994-95). *The student guide: Financial aid from the U.S. Department of Education.* Washington, DC: Author.

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State Student Incentive Grant Program (SSIG)

Through matching formula grants to States for student awards, this U.S. Department of Education program provides grants to students with substantial financial need. To be eligible for SSIG funds, State must have an agreement with the Secretary of Education as provided under section 1203(a) of the Higher Education Act of 1965, as amended. For fiscal 1995, the Secretary called for applications from all States, the Commonwealth of Puerto Rico, American Samoa, Guam, the Commonwealth of the Northern Mariana Islands, the Virgin Islands, and the Republic of Palau.

Contact your State's higher education office to determine its status with regard to the State Student Incentive Grant Program.

At the U.S. Department of Education, the contact is: Greg Gerrans, Pell and State Grant Section, U.S Department of Education, Student Financial Assistance Programs, 600 Independence Avenue SW, Washington, DC 20202-5447; 202/708-4607.

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The Campus Based Programs

The following three programs are called "campus based" because they are administered by the financial aid administrator at each participating institution; a student's financial aid package may include assistance from one or more of these three programs. Amounts received depend on financia need (based on Expected Family Contribution), the other aid received, and the availability of funds on the student's institution.

- Federal Supplemental Educational Opportunity Grants (FSEOG). These grants are for students with the lowest Expected Family Contributions who are also recipients of Federal Pe Grants. FSEOGs do not need to be paid back. As of 1994-95, a student could receive up to $4,000 per year from this program.

- Federal Work-Study (FWS) Program. Through FWS, jobs are provided for undergraduate an graduate students who need financial aid; community service work is encouraged. The institution sets the work schedule on the basis of the student's schedule, health, and academi progress.

- Federal Perkins Loan Program. This program provides low-interest loans to help undergraduate and graduate students with the lowest Expected Family Contributions. The loans must be repaid. As of 1994-95, students could borrow up to $3,000 for each year of undergraduate study (up to $15,000) or up to $5,000 per year for each year of graduate study (up to $30,000, including any Perkins loans borrowed as an undergraduate). Schools whose default rate is no higher than 7.5 may lend more than these amounts.

Federal Perkins Loan repayments may be canceled if the student:

- Dies or experiences total and permanent disability;
- Becomes a full-time teacher in a designated elementary or secondary school serving students from low-income families (lists of such schools are issued annually by the federal government);
- Becomes a full-time special education teacher;
- Becomes a full-time qualified professional provider of early intervention services for students with disabilities (for loans after July 23, 1992);
- Becomes a full-time teacher of mathematics, science, foreign languages, bilingual education, o in other fields designated as teacher shortage areas (for loans after July 23, 1992);
- Becomes a full-time employee of a public or nonprofit child or family service agency, providing services to high-risk children and their families from low-income communities (for loans after July 23, 1992);
- Becomes a full-time law enforcement or corrections officer (for loans after November 1990);
- Becomes a full-time nurse or medical technician;
- Becomes a full-time staff member in a Head Start Program;
- Serves as a Peace Corps or VISTA volunteer;
- Serves in the Armed Forces (up to 50 percent in areas of hostilities or imminent danger); or
- Declares bankruptcy (in some cases).

Contact: Federal Student Aid Information Center, P.O. Box 84, Washington, DC 20044; 1-800-4-FED AID (1-800-433-3243 (toll free).

U.S. Department of Education. (1994-95). *The student guide: Financial aid from the U.S. Department of Education.* Washington, DC: Author

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Federal Stafford Loans

Federal Stafford Loans are for students who attend school at least half time. Students may qualify fo a subsidized Stafford Loan based on need (for which the federal government pays the interest whil the student is in school or in deferment), but students, regardless of need, can also receive unsubsidized Federal Stafford Loans (on which interest accrues during in -school and deferment periods). An origination fee (3 percent in 1994-95) is deducted proportionately from each loan, and the lender may collect an insurance premium of up to 1 percent of the loan principal.

As of 1994-95, first-year undergraduates could borrow up to $2,625; undergraduates having completed the first year of study could borrow up to $3,500 per full academic year; undergraduates having completed two years of study could borrow up to $5,500 per full academic year. Reduced loans may be made to students enrolled for less than a full academic year, but not to any undergraduates enrolled for less than one-third of the academic year.

Independent first-year graduate students could borrow up to $6,625 per full academic year (at least $4,000 of which is in unsubsidized Stafford Loans); independent graduate students having complete the first year of study could borrow $7,500 (at least $4,000 in unsubsidized Stafford Loans); and independent graduate students having completed two years of study could borrow $10,500 (at least $5,000 in unsubsidized Stafford Loans). The maximum for graduate students is $18,500 per full academic year (at least $10,000 in unsubsidized Stafford Loans).

Contact: Federal Student Aid Information Center, P.O. Box 84, Washington, DC 20044; 1-800-4-FED AID (1-800-433-3243 (toll free).

U.S. Department of Education. (1994-95). *The student guide: Financial aid from the U.S. Department of Education.* Washington, DC: Author

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Federal PLUS Loans

Federal Plus Loans are available to parents with good credit ratings to borrow for each dependent child who is enrolled in college The annual loan limit is the cost of the education, less any other financial aid for which the student is eligible. As of July 1994, interest rates on these loans are variable but not higher than 9 percent. There is also a 3 percent origination fee. Loan repayments generally commence within 60 days after the final loan disbursement, but deferments (postponemer of repayment) may be granted.

Contact: Federal Student Aid Information Center, P.O. Box 84, Washington, DC 20044; 1-800-4-FED AID (1-800-433-3243 (toll free).

U.S. Department of Education. (1994-95). *The student guide: Financial aid from the U.S. Department of Education.* Washington, DC: Author

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Federal Direct Student Loans

The Federal Direct Student Loan Program (FDSLP) includes Federal Direct **Stafford** Loans and the Federal Direct **PLUS** Loans, but the U.S. Department of Education is the lender (rather than a bank c credit union). Loan repayments are therefore made to the Department of Education, not to several lenders. The first FDSLP loans were awarded for enrollment on or after July 1, 1994, in a relatively small number of schools; additional schools may apply to participate in the future.

Contact: Federal Student Aid Information Center, P.O. Box 84, Washington, DC 20044; 1-800-4-FED AID (1-800-433-3243 (toll free).

U.S. Department of Education. (1994-95). *The student guide: Financial aid from the U.S. Department of Education.* Washington, DC: Author

Bureau of Indian Affairs

Students who are at least one-fourth American Indian or Alaska Native, and who can show financia need, may be eligible for assistance from the Bureau of Indian Affairs (BIA).

Contact: The Education Officer of your Tribal organization, or the BIA Office in your area.

Selected State and Association Financial Aid Programs

North Carolina's Teaching Fellows

The North Carolina Teacher Enhancement Act of 1986 has enabled thousands of the State's high-caliber students graduating from high school to receive $5,000 per year for four years of full-time undergraduate study leading to a degree in teaching at a participating college or university. Up to 400 scholarships are awarded each year to current high school graduates.

At each of the selected institutions, unique enrichment programs have been designed specifically fo Teaching Fellows. These activities include seminars, cultural events, faculty mentor programs, and study-abroad programs. Emphasis is placed on leadership development skills and activities that wi give Teaching Fellows a broad range of experiences beyond the required coursework.

Recipients must attain a 2.25 grade point average and appropriate credit hours during their freshma year and a 2.5 cumulative GPA, including courses in their teaching field and appropriate credit hours, after their sophomore year and each semester thereafter. Recipients are obligated to pay bac their scholarship funds by teaching for four years in the public schools of North Carolina. Payback may occur over a three-year period if the recipient is employed in a system designated as low-performing or on warning status. Those who do not fulfill their teaching obligation are required to repay the value of the award, plus interest.

A significant proportion of the Teaching Fellows are students from historically under-represented racial/ethnic groups. To help recruit the Teaching Fellows, the Act also created teacher recruiter positions in the state's high schools and funded an Office of Teacher Recruitment in the North Carolina Office of Public Instruction. The program is funded by the North Carolina General Assembly and administered by the Public School Forum of North Carolina.

Contact: Public School Forum of North Carolina, 3799 National Drive,
Suite 210, Raleigh, NC 27612.

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Vocational Rehabilitation Benefits

State Vocational Rehabilitation Departments can often assist students with disabilities with the costs of higher education or job training after high school. "In many states, these agencies are working with groups of financial aid administrators to develop cooperative agreements about financial aid and other assistance" for students with disabilities enrolled in postsecondary institutions. The expenses of a student with a disability may be larger than those of nondisabled students because of special needs and/or special medical expenses.

Contact: Your State Department of Vocational Rehabilitation.

The College Board. (1996). *College costs and financial aid handbook.* New York, NY: Author.

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Phi Delta Kappa Scholarship Grants for Prospective Educators

Phi Delta Kappa International and the PDK Educational Foundation award annual college scholarships, valued at $1,000 to $2,000 each, to high school seniors who are interested in education careers. In addition to the international scholarships, Phi Delta Kappa's local chapters award chapte scholarships to high school seniors who compete in the International Scholarship Grants Program (and, therefore, applicants are competing for both). At least two scholarships are awarded to dependents of Kappans, and a minimum of four are awarded to students from historically under-represented racial/ethnic groups. For the 1995-96 academic year, Phi Delta Kappa will be awarding at least 43 of the international scholarships.

Contact: Phi Delta Kappa International Headquarters, 408 North Union Street, P.O. Box 789, Bloomington, IN 47402-0789; 812/339-2256; Fax: 812/339-0018.

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Student Exchange Programs: Western Interstate Commission for Higher Education (WICHE)

Through the four student exchange programs administered by the Western Interstate Commission for Higher Education, more than 7700 residents of 15 western states are enrolled at reduced levels o tuition in a broad spectrum of undergraduate, graduate, and professional programs.

WICHE's four student programs are described as follows, and pertain to students from and progran in the states of WICHE's member and affiliated states. Member states are: Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, and Wyoming. North Dakota and South Dakota are affiliated states.

* **The Professional Student Exchange Program** (PSEP) is the oldest exchange program. Students usually pay resident tuition (or reduced tuition in private institutions), and the sending states pay an additional "support fee" established by WICHE. This program began in 1953 and currently includes preparation in 16 professional fields. (The fields include medical specialties, graduate library studies, law, graduate nursing education, architecture, and several other majors. Although preservice training in Education is not included, the 16 professional fields do include physical therapy and occupational therapy.)

* **The Western Regional Graduate Program** (WRGP) began in 1981 and now includes designated graduate programs in all WICHE states, except for California. Before they are included i WRGP, programs undergo an extensive review to assure that they are distinctive and of demonstrated high quality. Students pay resident tuition. No additional state payment is required by this program.

* **The Western Undergraduate Exchange** (WUE), initiated in fall 1988, opened opportunities for undergraduate study in a wide range of programs in two-year and four-year colleges and universities. States include programs in which they are prepared to enroll residents of other participating states at a tuition rate of 150 percent of resident tuition -- which is a significant savings over normal non-resident tuition. As of fall 1994, 97 two-year and four-year institutions in 12 states were participating (all WICHE states except Arizona, California, and Washington).

* **The WICHE Scholars Program** enables any WICHE state to assist its residents in any field and degree level who are not covered by the other three exchange programs. States pay the difference between resident tuition (paid by the student) and the receiving institution's non-resident tuition. In private institutions, the student normally pays a reduced tuition and the remainder is covered by the sending state. (Of interest: Through this program, in 1993-94, Wyoming students participated in the Minot State University [North Dakota] baccalaureate preparation program in Education of the Deaf.)

<u>Contact</u>: Student Exchange Programs, Western Interstate Commission for Higher Education, P.O. Drawer P, Boulder, CO 80301-9752; 303/541-0214.

Western Interstate Commission for Higher Education. (1994). *The WICHE student exchange programs: Statistical report for academic year 1993-94*. Boulder, CO: Author.

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Directories, Publications, Resource Materials

The Student Guide: Financial Aid from the U.S. Department of Education, 1995-96.

This booklet describes student aid programs sponsored by the federal government. It has already been widely distributed to public schools and libraries, but single copies remain available at no charge.

<u>Contact</u>: Federal Student Aid Programs, Box 84, Washington, DC 20044;
1-800-433-3243.

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Grants for Graduate and Postgraduate Study, Third Edition

This publication describes some 1,400 scholarships and loans available for graduate study in many different disciplines. Suggestions and details about each source are included. $89.95 plus $9.75 for shipping. Available in many libraries; can be ordered through local bookstores or from publisher, below.

<u>Contact</u>: Peterson's Guides, P.O. Box 2123, Princeton, NJ 08543-2123;
1-800-EDU-DATA.

Directory of Special Programs for Minority Group Members

This directory lists employment opportunities, sources of financial aid for postsecondary education, and career information services for members of minority groups. More than 4,000 general sources o financial aid are included, including sources of scholarships, fellowships, and loans for higher education; job training and retraining; occupational information and career guidance services; employment skills banks and talent banks. The cost is $30 prepaid.

<u>Contact</u>: Garrett Park Press, P.O. Box 190A, Garrett Park, MD 20896;
301/946-2553.

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1995 Financial Aid for Students with Disabilities

Published by the HEATH Resource Center (the national clearinghouse on postsecondary education for individuals with disabilities), this booklet for students, parents, and counselors explains the student financial aid process, financial aid packages, and federal sources of financial assistance (including the use of Supplemental Social Security and Social Security benefits for educational expenses). It also includes a list of sources of scholarship and financial aid resources for students with disabilities and a resource list. Single copies are free.

Contact: HEATH Resource Center, American Council on Education, One Dupont Circle, Suite 800, Washington, DC 20036-1193; 202/939-9320 or 1-800-544-3284.

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College Costs and Financial Aid Handbook, 1996 Edition

This directory contains facts, costs, and financial resources at 3,000 higher education institutions; strategies for planning to pay for college; worksheets for estimating family contributions to college costs; and advice on applying for financial aid. It can be ordered through local bookstores or from the publisher, below. $16.00.

Contact: The College Board, 45 Columbus Avenue, New York, NY 10023-6992.

The Alliance Project (#8029K4085) is supported by the U.S. Department of Edcucation, Office of Special Education Programs (OSEP). Opinions expressed herein are those of the sources and do not necessarily represent the position of the U.S. Department