

DOCUMENT RESUME

ED 129 154

HE 008 242

TITLE Unmet Needs. Report on Student Financial Aid Problems from the CSS Student Advisory Committee.

INSTITUTION College Entrance Examination Board, New York, N.Y.

PUB DATE 76

NOTE 87p.

AVAILABLE FROM College Board Publication Orders, Box 2815, Princeton, New Jersey 08540

EDRS PRICE MF-\$0.83 Plus Postage. HC Not Available from EDRS.

DESCRIPTORS *Educational Finance; Emancipated Students; *Financial Needs; *Financial Support; Grants; *Higher Education; *Student Costs; *Student Financial Aid; *Student Loan Programs; Work Study Programs

ABSTRACT

Findings and recommendations of the College Scholarship Service (CSS) Student Advisory Committee following a series of hearings conducted in seven states with the cosponsorship of the National Student Educational Fund and various state student organizations are presented. The report articulates and documents some of the problems that students frequently encounter in learning about, applying for, and obtaining financial aid to support their postsecondary educational objectives. Major themes identified at the hearings are discussed. After reviewing hundreds of different individual student cases, the CSS Student Committee concludes that on a comparative basis the financial aid system costs are higher for educationally and economically disadvantaged persons. The bureaucratic hurdles are placed before those who have the least experience in dealing with such barriers to financial aid. Specific recommendations are made that deal with: financial aid information; financial aid counseling; financial aid offices; grant aid; loan aid; work aid; student budgets; and independent and married students.

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Unmet Needs

Report on Student Financial Aid Problems from the CSS Student Advisory Committee

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Box 2815, Princeton, New Jersey 08540. The price is \$2.

Editorial inquiries concerning this book should be directed to Editorial Office,
College Entrance Examination Board, 888 Seventh Avenue, New York, New York 10019.

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Panel Member: "You have testified that you hold two jobs, one of them requiring you to work as a barmaid until two in the morning before having an eight o'clock class, and that you were unable to get help from your financial aid office. I'm curious: in the face of this, what made you decide you wanted so badly to go to college?"

Student: "I had just moved to a new job hoping for something different. For four years, my life was the same: working as a secretary, commuting every day in Chicago with all the pollution, etc. And on the job, the menial tasks and all But I never minded, since I kept hoping for some type of advancement without a college education. But when I got that new job, I realized it was all the same -- that I was never really going to advance I wasn't an interesting person. I felt really dumb. But I wanted to become involved. So I started with college." -- Patrice A. Fanuko, a Midwestern university

Foreword

The Student Advisory Committee of the College Scholarship Service (CSS) is to be congratulated on the publication of Unmet Needs, the culminating report on a series of hearings at which students testified about their problems with financial aid. The report and the recommendations are from the CSS Student Committee. The CSS staff believes that these recommendations address some of the fundamental issues in financial aid and should receive careful consideration by federal and state legislators and their professional staffs, state and institutional administrators, student financial aid administrators, and national education agencies.

During the course of the hearings and the preparation of the draft report of the CSS Student Committee members, the CSS staff was involved in implementing a number of the recommendations that appear in the report.

■ The CSS has placed in use the Financial Aid Form (FAF), the keypunch version of the common student data form that resulted from the National Task Force on Student Aid Problems. The CSS has worked with states and institutions in expanding acceptance of this document. Several states and numerous institutions moved quickly to adopt it.

■ A report to filers, another recommendation of the committee, has been made

available as a component of the FAF need analysis service.

- A Spanish-language version of Meeting College Costs has been prepared and is now in use.
- When a student's expected contribution toward education costs is computed, the inclusion of an amount of money expected as a contribution from summer earnings is now optional. Institutions may use their own estimate of an amount to be expected from summer earnings, or an individualized amount for each student.
- The Student Expense Study Service is offered for use by institutions to permit the development of full and realistic budgets reflecting the costs of attendance. The use of realistic budgets in determining need is a concern and recommendation expressed in the report.
- Information to students -- particularly information that is supplied early in the school career -- is a major problem identified by student testifiers. The CSS is involved in broad dissemination of more and better student financial aid information and is at present engaged in a study of the effect of early student aid information on increasing motivation to attend college among high school students.

While some of the recommendations in the report have been implemented, many others have not, and these deserve the attention of people involved in all aspects of the national student aid effort. Some of the recommendations cannot or will not be implemented in the near future because of cost implications or perhaps because they are too idealistic to be moved forward in our present society, with its divergent views and complex postsecondary educational objectives. However, it is important to hear from students about students, and this has been done effectively in Unmet Needs.

Alexander G. Sidar Jr.
Executive Director, College Scholarship Service

June 1976

Preface

What This Report Is

This document summarizes the findings and recommendations of the College Scholarship Service (CSS) Student Advisory Committee following a series of hearings conducted in seven states with the cosponsorship of the National Student Educational Fund and various state student organizations. The report articulates and documents some of the problems that students frequently encounter in learning about, applying for, and obtaining financial aid to support their postsecondary educational objectives.

This report is "positive" in that it makes concrete, constructive recommendations for improvements in the financial aid system. This report is "negative" in that it emphasizes problems that students are experiencing. We wish to state emphatically at the outset that there are good financial aid offices, officers, and programs. There are successes as well as failures. But there also exist very real and widespread problems that cannot be minimized.

Why You Should Read This Report

This document offers a unique opportunity to policymakers in the financial aid system: to be exposed to the first-hand experiences of the "beneficiaries" of the system. This opportunity is all the more unique because it is a "safe" op-

portunity. Only the written word confronts the reader, not the more than 250 angry, flesh-and-blood students with whom the committee talked. These students needed money to attend college; they were not and are not patient with the forms, the delays, the regulations, and the many other problems that greatly inhibit their ability to go to school.

This report is important because it documents and articulates problems that students are experiencing in learning about, applying for, and obtaining financial aid right now. Successfully getting money to students who need it is, after all, what the \$4 billion financial aid system is supposed to be all about. The Student Committee has found that the financial aid system is not working especially well. In particular the committee has found that:

-- Those students who have the greatest need are least likely to learn about the system, and least able to successfully overcome the hurdles of forms, annual need analysis, and repeated trips to the financial aid office.

-- The system is essentially a political one. It is designed to ration an insufficient amount of money among too many people who genuinely need it. Definitions of "need," "independence," and "full funding" are designed to facilitate the rationing of funds and are not based on the reality of students' situations. The president, Congress, the Office of Education, and private organizations argue the fine points of these artificial definitions while students do not eat well, do not buy necessary books, do not go to the doctor, spend as much time in the financial aid office as in class, or do not go to school at all.

-- For students, and for others who believe in equal opportunity, the solutions require political organizing to affect decisions where they are made: Washington, New York, state capitals, and individual financial aid offices.

-- Students cannot get adequate information about what programs are available, how to apply, and their rights and responsibilities under aid programs. The "default problem" is, at least in part, a consequence of the inadequate counseling and information made available to the borrowers.

-- The front line of the system, the financial aid offices, does not work well. The offices are understaffed, undertrained, and undersupported. However, the problem is not totally money related. It is also attitudinal. Many students cannot get simple information, an appointment, or a straight answer from the financial aid office staff.

It is important to note that the complaints cited here are not isolated ones. The problems that students are experiencing are surprisingly similar across the states and across types of institutions. The problems that are dis-

cussed are real and common. They confront thousands of students every day.

How To Read This Report

This report is simply organized. The themes are summarized at the beginning of the report. Broad categories of subject matter are grouped into "sections." Sections are divided into "chapters." Chapters consist of direct citations from the hearings transcripts, woven together with the ommittee's commentary. Recommendations are located at the end of each chapter, and are listed in summary form at the conclusion of the report.

It is simple to find and read materials on a specific subject without reading the entire report. It is easy to get an overview of the report by reading the themes at the beginning and the summary list of recommendations at the end.

The conclusions and recommendations expressed in this report are not intended to represent the official positions or policies of the College Entrance Examination Board, the College Scholarship Service, the National Student Educational Fund, or any of the state student organizations that cosponsored our hearings. This report does reflect the consensus of the CSS Student Committee.
The committee invites your questions and comments.

Seth Brunner, Chairperson, CSS Student Advisory Committee

Acknowledgments

The execution of the hearings project and preparation of this report have been greatly facilitated by a number of individuals and organizations. In particular, we would like to acknowledge the efforts of former members of the CSS Student Advisory Committee in the early planning stages of the hearings project: Janet Maciejewski (University of Wisconsin School of Law), Norberto Lugo (City University of New York), Charles Jones (Boston State College), and Omar Barbarossa (Portland State College).

The CSS Student Committee expresses special thanks for their encouragement and support to Alexander G. Sidar Jr., James E. Nelson, Amy Kopolsky, Lawrence Gladieux, Lois Rice, George Hanford, and Sidney P. Marland Jr. of the College Entrance Examination Board, to Layton Olson, Karon Cox, and Chip Berlet of the National Student Educational Fund, and to Steve Pressman of the National Student Lobby.

We would also like to recognize and thank the organizations and individuals who contributed to the planning and execution of the various state hearings.

In California . . .

The University of California Student Lobby, the California State University and Colleges Student Presidents' Council Legislative Advocate, the California Commu-

nity College Student Government Association, the California Association of Independent Universities and Colleges Student Association, Kim Kavrell, Joel Goldberg, Ed Klinite, Kevin Bacon, Jeff Hamerling, Samantha Scott, Mike Seaman, Earl Cheit, Bruce Fuller, and Robert Hanrahan.

In New York . . .

The Student Association of the State University of New York (SASU), Joel Packer, and Bob Kirkpatrick.

In Texas . . .

The National Chicano Health Organizations -- South Central Regional Office in San Antonio, Representative Wilhelmina Delco, Margaret Garza, Julian Martinez, Trudy Fucik, Magda Hinojosa, and Lola Dennie.

In Georgia . . .

The Georgia State Student Government Association and Bill Hallisey.

In Colorado . . .

The Colorado Student Coalition, Diana Holland, and Freddi Karp.

In Wisconsin . . .

The United Council of the University of Wisconsin Student Governments, Jim Hamilton, David Jenkins, and Francis Keppel.

In Illinois . . .

The Association of Illinois Student Governments, Doug Whitley, Robin Roberts, Rick Popely, Jan Barfield, Rick Cordier, Dr. Richard Brown, Bob Constantine, Senator Kenneth V. Buzbee, Representative Goudyloch Dyer, and Representative J. David Jones.

Hearings director and the primary author of this report was Peter Coye. Editorial and production assistance were furnished by Kathleen Brouder, Lucy Miller, Seth Brunner, Chip Berlet, and Karon Cox.

I.

The Hearings

1. INTRODUCTION

In June 1974 the CSS Student Committee met for the first time in New York City. The meeting marked the beginning of a formal student representation within the College Scholarship Service (CSS) -- a development that had been discussed and debated for many years. Although students had participated in various meetings, workshops, and conferences prior to 1974, the creation of the committee marked the start of a regular and ongoing relationship between CSS and the student population. Since that time, the committee has held several meetings and become a fully operative part of the College Scholarship Service.

Although the first students on the committee were selected by the CSS staff, largely on the basis of their prior experience with postsecondary policymaking and student advocacy activities, this is not a pattern for the future. Part of the committee's work is an ongoing search for potential student committee members from around the country. Besides attempting to reflect on the committee the many racial, ethnic, geographic, and sexual dimensions of the national student population, committee members are in search of students who have an active interest in national postsecondary education policy. Committee members as a group now select their own replacements, in consultation with staff and the chairman

of the CSS Council.

The CSS Student Committee is charged with the responsibility of articulating to the CSS and the College Entrance Examination Board the problems and concerns that students as a group now experience as "consumers" in the financial aid process. Additionally, the CSS Student Committee makes policy recommendations, on issues ranging from the content of CSS documents to the future financing of postsecondary education in the United States.

As the average age of postsecondary students increases, as enrollments decline, and as financial aid occupies a larger and larger part of the postsecondary education financial picture, institutions will undoubtedly change. Not only will institutions of postsecondary education change, but also those institutions that provide services to colleges and universities, such as the CSS and the American College Testing (ACT) Program. The "student as consumer" can be expected to play some role in this evolution. The committee believes that its existence is evidence that the CSS and the College Board leadership want to hear from the student constituency. However, the extent to which the committee influences CSS policy will depend on the resolution of often opposing, but usually friendly, interpretations of student needs and priorities.

The first major undertaking of the CSS Student Committee has been a study of the problems students commonly encounter in learning about, applying for, and receiving financial aid. In the past year, the committee convened a series of two-day hearings in seven states: California, Colorado, Georgia, Illinois, New York, Texas, and Wisconsin. In each state, local students and student organizations were intimately involved in the organization and planning of the hearings. Although the hearings' overall tone and direction were established by the CSS Student Committee, student organizers in each state were also encouraged to focus on particular problems that they thought needed exposure. In each state, student witnesses spoke before a panel comprised of CSS Student Committee members and local students. It was hoped that students would discuss their problems freely in this sympathetic atmosphere. However, even with peers taking testimony, some students were afraid of reprisals and fearful of losing the financial aid they had obtained, and asked that the committee not use their names in this report. This request has been granted.

Students from public and private, two-year and four-year institutions were invited to testify in these public forums and were asked to summarize their experience with financial aid. In all, the committee heard from 250 students representing over 150 public and private institutions. All hearings were tran-

scribed in full and used in the preparation of this report. The CSS Student Committee hopes eventually to produce and distribute a short documentary film on student financial aid problems; with this in mind, most of the hearings were videotaped as well.

The purpose of this study project was not to investigate and summarize the current operations of student financial aid programs in a particularly balanced fashion. Rather, it specifically focused on problems that students currently experience in learning about, applying for, and obtaining financial aid. The committee advertised for and requested such testimony from students, and certainly the 2,155-page transcript reflects this approach. Some financial aid officers, administrators, and legislators may consider this report unfairly critical or unmindful of program successes with student financial aid. The committee is aware of the successes, but to emphasize these would be to disregard its task. That is, the committee sees its objective as illuminating problems and suggesting solutions within the financial aid system from a student (consumer) perspective, and has tried to emphasize problems that are not isolated occurrences but form a pattern across all institutions and in all states.

2. MAJOR THEMES

■ 1. Information -- or lack of it -- was the single most frequently expressed problem. Almost without exception students felt that they were not aware of all possible financial aid programs available to them. Students had no means of planning because they had no information on eligibility rules.

a. Good information is essential to the success of the financial aid process. Access to and retention in postsecondary education for financially needy students is dependent on information. The need for information, and the lack of good information, is particularly acute at the high school level.

b. There is very little coordination of information among student services on campus. Admissions, financial aid, employment, and academic counseling are experienced by students in an atomized fashion.

c. The problem of information integration seems also to become particularly acute for transfer students -- most of whom erroneously assume that their financial aid will carry over to their new school. Because of differences in allocations to schools and in the philosophies and practices of individual aid offices, this is not the case.

d. Information about deadlines is inadequately published, resulting in a surprising number of students who are unable to get aid for which they qualify.

e. The result of poor information is inequality of access to postsecondary education and considerable hostility. Students are unable to plan ahead for postsecondary education, or even to plan on a year-to-year basis once in college. Students feel manipulated and processed by a system which does not make sense and is unpredictable.

■ 2. The multiplicity and complexity of financial aid application forms contribute to student and parental confusion and resentment toward the financial aid system.

a. The multiplicity of forms involves considerable cost to students in terms of money, time, and inequity.

b. Some students feel compelled to lie on forms in order to receive equal treatment. Several students testified that they thought lying on financial aid forms was a standard practice and necessary if one wanted equal treatment with others who also felt a necessity to lie.

■ 3. Students feel the need for better counseling on their rights and responsibilities as aid recipients.

a. The options available to students in packaging or combining work,

grant, and loan aid are seldom made clear. Many students felt they had learned about these options only after accepting a financial aid package. This was particularly noticeable in the case of the students who were not informed of options of work rather than assuming loan debt.

b. There is very little loan counseling, which in part accounts for the default rate. Students are not counseled about what monthly payments on their loan(s) might be and how that obligation might affect their future monthly income. There is no counseling about the problem encountered when multiple loans simultaneously become subject to repayment.

c. There is very little counseling about the interaction between the financial aid system and welfare programs. The regulations for welfare and financial aid programs conflict.

d. The major source of information to students is their peers. In establishing information systems, the financial aid system should utilize this natural "grapevine."

■ 4. Most financial aid offices do not work well from the student's perspective. Student experience is characterized by long lines, hostile and offensive attitudes, lost files, and a lack of access to decision makers.

a. Students question the competence of their financial aid office personnel.

b. Students experience considerable difficulty in getting appointments with their financial aid offices.

c. Many students' files are lost or misplaced.

d. Students feel victimized by arbitrary practices in changing their aid packages. This is particularly true for students who felt that they had been promised a particular aid package when they entered college as freshmen, only to have it constantly changed as they progressed toward graduation.

e. Many students encounter hostile and offensive financial aid office personnel.

■ 5. Students are only dimly aware of the Basic Educational Opportunity Grant program and often believe that BEOG funds are controlled and awarded by the aid office. The lack of awareness about its entitlement features, as well as the lack of information about eligibility for the program, renders the program virtually useless as a tool for encouraging low-income students to plan for and aspire to postsecondary education.

a. The procedure for disbursing grant checks on some campuses does not mesh well with the tuition, room and board payment schedules and the timing of

the other expenses students must meet -- a situation that creates undue hardship for aid recipients.

b. Few grant programs are designed to respond to the special needs of some nontraditional students for small awards.

■ 6. Loans, particularly multiple loans, as a form of financial aid pose a wide range of problems for students.

a. Many students are "pressured" by their aid officers to take loans.

b. Students encounter severe problems, if not outright discrimination, in obtaining Guaranteed Student Loans (GSLs). When institutional and National Direct Student Loan (NDSL) program funds are exhausted, students must turn to private lenders and the GSL program. GSL loans are not often made on the basis of need alone, since lending institutions usually require that student applicants or their families maintain a standing account. Such practices effectively discriminate against the poor and racial minorities.

c. Students are not adequately counseled about their repayment obligations and schedules. Some are not even aware that they have received a loan as part of their aid package.

■ 7. There are disincentives to working one's way out of poverty. Students may be forced, because of artificially low student budgets, to seek extra employment to meet the cost of their education. If students do work, their aid package will be reduced by the amount of their earnings if they are "caught" by the financial aid office. These regulations create a situation in which students are forced to live in poverty.

a. Many work-study jobs are "toy jobs." Many students have to take jobs that bear no relationship to their major field or career goals. Many colleges use work-study as a form of "serfdom," taking advantage of the inexpensive assistance provided by work-study students.

b. Students do not always receive the minimum wage. Subminimum wages force students to work longer hours for less pay while carrying full academic loads and assuming a loan indebtedness.

c. Many work-study jobs go unfilled because of lack of communication between the aid office and students seeking employment.

d. Students are often expected to save an arbitrary amount of money from their assumed summer earnings, regardless of their employment situation. The fixed sums specified by the need analysis services are often regarded as expected contributions rather than as the guidelines that they were intended to be.

■ 8. Student budgets are unrealistically low. They are used as a tool for

rationing limited financial aid funds rather than as an accurate indication of modest but adequate living expenses.

a. The living expenses allowed in student budgets are unrealistic and often do not take into consideration students' special needs and circumstances.

b. Parents often do not contribute the sum expected of them in the "parental contribution."

■ 9. The definition of independence used by the aid system is at variance with both legal and social realities.

a. Heads of households are required to obtain notarized statements that they do not receive money from their parents. Such procedures for those who are so obviously independent serve no useful purpose but increase the "cost" to the financially needy student.

b. Independent students may not receive aid because their parents -- from whom they receive no support and are in fact independent -- will not participate in the aid process through signing forms, such as affidavits of nonsupport.

c. The regulations for and assumptions about dependence and parental contribution do not recognize the cultural realities of some populations and communities, where it is not uncommon for members of one family to live with and be supported by relatives or family friends.

d. In some states, there is a disparity between state and federal requirements for establishing independent status.

e. Many students feel that their financial situations should be considered independently of their spouse's. This is particularly true when loan aid is offered but a spouse's cosignature is required.

f. Financial aid offices do not always take into account separation of married couples or other changes in marital status.

II.

Administrative Problems

3. FINANCIAL AID INFORMATION

"Nobody is informed about this stuff. Nobody is informed about work-study especially. Nobody knows these things. Nobody knows the policies they work from, and nobody knows why they got what they did. It's just a gift from God, or something."
-- Bill Ervin, a Western state university

Bill Ervin's characterization of financial aid as a "gift from God" is perhaps exaggerated. Yet it underscores a point that ought to be well understood and appreciated in its gravity by persons who are concerned with and responsible for financial aid programs and practices: that students and potential students lack vital information about financial aid. Some financial aid recipients, like Bill Ervin, simply do not feel that they have ready access to information about programs in which they are participating or might participate. Prospective students are equally hampered by confusing and contradictory and often simply nonexistent information. If the committee had to point to any single problem that was encountered more than all others, the lack of information is clearly that problem.

Almost without exception, student witnesses felt that they were not aware of, and had not been informed about, all possible financial aid for which they might be eligible. Equally confusing to most students were the relationship among various programs and the theory behind "packaging." Few students grasped the notion of a "federal-state-institution partnership" in financial aid; few students understood that their financial aid packages were deliberately construc-

ted to include various types of aid (grant, loan, and/or work) from different sources. While they accepted philosophically the notion that some bureaucratic procedures were probably required to run any system, their understanding of how the financial aid system functioned was so limited that the bureaucracy appeared unpredictable, often hostile, usually irrational, and ultimately unintelligible. Their lack of information about how the system "worked" and their suspicion that no one was really "in charge" only served to alienate them from the very system that purported to serve them.

The major problems and complaints cited by witnesses about the quality and availability of information included, but were not limited to, the following.

- The lack of good and readily available information often precluded access to both the financial aid system and postsecondary education generally, especially for the educationally and/or economically disadvantaged. This problem appeared particularly severe at the high school level.
- Because there was often little coordination of information among on-campus student services, students experienced admissions, financial aid, job placement, academic counseling, and other processes in an atomized fashion. The problem of information integration was particularly severe for transfer students, many of whom assumed incorrectly that their aid was totally portable.
- Because information about application procedures and deadlines was so poorly disseminated, many students could not obtain the financial aid for which they were eligible.
- The net effect of poor information was that many students felt manipulated by, and hostile to, the financial aid system.

The Importance of Good Information

The importance of information about financial aid programs and procedures should be obvious. Entry into the orbit of postsecondary education and access to the financial resources needed to successfully complete a course of study depend on good information systems. Good information can as easily encourage a potential student as poor information can discourage one. This problem is clearly magnified for the educationally and economically deprived and others who do not assume that they will be able to go on to a college or university.

If financial aid information is difficult to obtain and to understand for currently enrolled postsecondary students, this problem seems even more irksome to someone at the high school level who is trying to plan ahead.

"My major complaint is the lack of information at the high school level for stu-

dents seeking financial aids. When I was a junior in high school, I spent lots of time in the counselor's office going through all her manuals, brochures, just anything she had. And I tried asking her about all these scholarships and all of this kind of good stuff because, of course, I just couldn't get to school any other way. So I just decided that maybe my grades could get me to college, since I didn't have the financial means to go to school."

-- Julian Martinez, a Southwestern university

Good information is the first step to successfully applying for and obtaining financial aid. More important, it is the first step toward achieving equity. It seems somewhat bizarre that within the debate on financing postsecondary education the question of information is rarely raised in the context of equity. Students sense -- and at times articulate well -- the inequity of poor information. They know that without information their chances for success in college, both academically and economically, are limited. One junior college student put it this way.

"There is a lack of information. I am not the only student who's suffering the consequences. I am being kind of dramatic right now, but I think you can more or less get the point that I am trying to get across, because they really don't inform you as well as they should."

-- Robert Gonzalez, a Southwestern junior college

Coordination and Integration of Information

Another problem that many students encounter is a lack of information coordination. Admissions, financial aid, employment, counseling, and various other institutional support services are largely experienced by students in an atomized fashion. That is, each service seems to be rendered independently of the others, and, taken together, they often conflict or simply fail to make much sense to students. For example, a Western state university student recounted this experience.

". . . The job I have is the one and only place where I can get experience in my major field of interest, you know, what I'm majoring in. I work at the radio station, and I'm majoring in broadcasting. [On-campus jobs are considered financial aid.] . . . I'm working this month without pay so I won't go over my earning limit of \$300 per year. If I did, then I would lose the job. But I'm being forced to find an off-campus job, maybe making pizzas or something, and I would have to quit my job at the campus radio station if I do go to work off campus."

-- Shelley Grenell, a Western state university

The problem of information integration seems to become particularly acute for

transfer students, who often assume erroneously that their financial aid will carry over to their new school. This is rarely the case, and students are not generally aware of the many differences among institutions and among the regulations, forms, and eligibility requirements for various local, institutional, state, and federal programs. For someone who is familiar with the financing of postsecondary institutions, this may be common knowledge. But it makes very little sense to the average student, who is likely to assume uniformity until it is too late to reapply and requalify for aid.

"Students should be informed so that they know, when they are going to [a new] school, what they're getting into. So they know the different selections to make and know exactly where they stand financially."

-- Ilise Wilson, a Western state university

Information about Deadlines

The information problem manifests itself in many ways. Besides being crucial to entry and access (and therefore crucial to success in postsecondary education for all students), information is the keystone to normal progress through an academic career. Although "stop-out" students and extended education may be popular to talk about, the fact is that most students the committee spoke with do not want to extend the period of attendance unnecessarily. The costs of delayed entry to the job market may include not only foregone (unearned) income but also additional loan debt. For these reasons they seek to participate in all financial aid programs to which they are entitled and eligible. Better information systems are needed to accomplish this, and part of that improvement involves information about deadlines for applying for financial aid. If the students who did not find out about programs they were eligible for felt in some way discriminated against, those who missed deadlines after filling out forms and making applications became particularly enraged at the financial aid system.

"Now I know that next year a large number of students will not be getting any aid at all because they didn't put their application in. The financial aid office put a little ad in the newspaper we have there, but they made it so small, and they didn't say enough, so the students didn't realize [what was available]."

-- Victoria Montoya, a Western state university

Alienation from the Process

Students are aware of efforts to improve information about financial aid opportunities. Few witnesses were willing to place the blame squarely on the shoul-

ders of the financial aid office, institutional personnel, or state and federal program administrators. However, because students deal directly with the financial aid office, this was the most common focus for complaints that could be typed as problems of information. While they did in some sense "blame" the financial aid office, they were also willing to admit that the financial aid office is burdened with increasing numbers of applicants.

"There is an information gap that has to be made up some way. Basically, I think that the problem lies in the financial aid offices that I have come into contact with at two West Coast colleges. It's basically due to the tremendous numbers of students applying."
-- Joel Goldberg, a Western university

Nevertheless, the information gap was seen by most of the students as a consequence of poorly run and poorly administered financial aid offices. The operations of financial aid offices per se will be dealt with in a later section, but we will include these excerpts from testimony here as indications of how most students experience the problems related to the quality and availability of information.

"They don't have a policy of advertising what's available on campus. There are things that come through their office all the time, from local organizations, from outside organizations, but they don't post this information. What you've got to do, if you hear about it on your own, is to inquire, or else the money just sits and no one takes advantage of it."
-- Chris Harris, a Western college

"We have a real problem. . . . signs go up but if you don't read the bulletin board, you're out of luck. But we've been trying to get information at registration, you know, which has never been done before."
-- Dan Walsak, a Western university

"Students were also disturbed at the fact that the financial aid office never seems to let you know what kinds of problems they are having until it hits us, and then they tell us, 'Well, the reason why the package is cut is because the federal government cut us. All these repercussions are happening.'"
-- Donna Roberts, a Western state college

"How about passing a law that requires all public institutions in a state to describe state aid every time they mention how much their tuition and fees are? In other words, when you get a catalog, if it says, 'tuition and fees at the state university are such and so,' instantly thereafter, it should say, 'Note: state residents may apply for state aid, and here's your chances of getting it,' and simply print out the table saying if your income's below \$9,000, it's a 95

percent chance that you'll get it; if your income's between \$9,000 and \$15,000, you've got a 60 percent chance or whatever it is."

-- David P. Eisenman, a Midwestern university

Students currently obtain information about financial aid from a number of sources. The information generated by these sources is, for the most part, completely inadequate in describing either how the entire student financial aid system works or all programs for which a particular student might be eligible. These various sources may be justified and explained as a necessary cost in a pluralistic educational system, but for students, this translates into reduced educational opportunities. "Choice" and "access" lose their real meaning in a situation where a potential student may select from any number of incomplete public or private information sources.

The effect of this information gap is that students experience themselves within the financial aid system as object rather than subject. That is, students who are involved in learning about and applying for financial aid feel that they are manipulated and processed by a system that does not make much sense and is generally unpredictable. To many students, the decision to deny or grant an award seems arbitrary and without reference to any particular standards or criteria. If they do qualify for assistance, they feel it is a "gift from God" or a matter of "luck," and if they are turned down, it is the result of an evil "bureaucracy." Such characterizations of the outcomes suggest that students are not informed about -- let alone brought into -- the decision-making process surrounding financial aid. As financial aid takes on an increasingly larger role in the educational picture, the resentment and alienation that students experience are bound to increase as well. Already the system appears obscure and capricious to many students and has generated an equally irrational approach to the system among some.

Recommendations

1. The federal government should require that 5 percent of all appropriated BEOG funds and other monies appropriated for federal aid programs be specifically targeted for information dissemination about those programs.
2. The federal government should require that some specified portion of the institutional administrative allowance associated with institutionally administered financial aid programs be spent on information systems.
3. The federal government should create and sponsor a National Student Aid Data Bank, which would provide to applying students a print-out of all sources of financial aid, at no charge to the applicants. Specifically, the committee

recommends that Congress enact the Biaggi Bill, H.R. 6933, which would establish such a program, and appropriate money to implement a National Student Aid Data Bank. Information issued by such a Data Bank should be "neutral" and not designed to artificially deflate demand. Its operations and functions should be neither controlled nor sponsored by the Office of Education or the Office of Management and Budget, but should be overseen by and responsible to Congress alone.

4. State governments should concentrate on disseminating information to potential students. Specifically, the committee recommends that all states follow the lead of Minnesota in directly informing eligible populations about postsecondary educational opportunities and all potential sources of financial aid -- federal, state, institutional, private, and so forth. [The state of Minnesota mails information directly to all its high school students about postsecondary programs and financial aid available for defraying the costs of education.]

5. All state-sponsored and -funded financial aid programs should include a specified information component which ties a percentage of appropriated monies to information programs. [For instance, in California \$6 must be appropriated for information systems for each award of a California State Scholarship.]

6. All states should communicate by mail directly with those students who have applied for the federal BEOG award and inform them of state programs for which they may be eligible.

7. The College Entrance Examination Board and College Scholarship Service should transmit to students who undergo the need analysis procedures a copy of the results of the computation. Specifically, students should be advised of the expected parental contribution to the cost of education.

8. The College Entrance Examination Board and College Scholarship Service should mail information about student financial aid to all persons who take the PSAT or SAT tests.

9. The College Scholarship Service should publish and distribute in Spanish-speaking communities a Spanish-language version of Meeting College Costs, the CSS pamphlet on financial aid.

10. The Official College Entrance Examination Board Guide to Financial Aid for Students and Parents should be made available free upon request to potential students. The current \$4.95 price is prohibitive for many prospective students and their families.

11. The College Entrance Examination Board and the College Scholarship

Service should review all publications, such as Meeting College Costs, and where necessary, revise such materials to place greater emphasis on the availability and entitlement features of BEOGs.

12. All colleges and universities participating in federal financial aid programs should use part of the federal administrative allowances for information dissemination on their campus and among prospective students.

13. All student financial aid offices should institute work-study jobs for students that are designed to close the information gap. Such student employees should be hired as freshmen with the expectation that, by their sophomore year, they would become paraprofessional peer counselors in the area of financial aid. The committee suggests that an appropriate ratio would be one peer counselor to every 500 students on campus.

14. Colleges and universities should publish in their catalogs and other promotional materials the percentages of their student populations participating in various financial aid programs. They should also publish a list of all federal, state, institutional, and other forms of student financial aid available to students attending their respective institutions.

4. FINANCIAL AID FORMS

"And it really is absurd because it is basically the same information only in greater or lesser detail. If it is a matter of qualifying for the same monies under the same government program, you basically need the same information. So why is it not possible for them to have a standardized form?"

-- Geri Maestas, a Western state college

Geri Maestas's question, "Why is it not possible for them to have a standardized form?" is a question students have been asking for years. The need for a standard form was emphasized repeatedly in the hearings the CSS Student Committee held. And while the need for one standardized form is almost universally recognized, the problems which this issue presents for students need underlining. If for no other reason, the committee feels compelled to bring this problem up under a distinct chapter heading, simply because it loomed so large in the minds of students. These were the main concerns.

- The multiplicity and complexity of financial aid application forms contribute to student and parental confusion and resentment toward the financial aid system.
- The multiplicity of forms involves considerable cost to students and parents in terms of both time and money; the process is often most intimidating to those most in need of financial aid.
- Some students feel compelled to lie on application forms in order to obtain equal treatment.

Student and Parental Confusion

For many students, the financial aid application forms represent a microcosm of the entire financial aid process. The problems of bureaucratic inefficiency, about which students frequently complain, appear highlighted by the duplication of information and forms which both students and their parents must file to participate in financial aid programs. As the National Task Force on Student Aid Problems (known as the Keppel Commission, for its chairman, Francis Keppel) pointed out, "A student applying for aid from just one postsecondary institution may have to complete as many as seven different forms to demonstrate eligibility for all of the aid available to him." ¹

"One of the most frustrating things we found was the lack of standardization of financial aid forms. . . . You had to be a computerized genius to know what forms went to what colleges at what times."

-- Geri Maestas, a Western state college

1. National Task Force on Student Aid Problems: Final Report, 1975, page 1.

Geri's hyperbole makes a point that is underscored by Jim Hudson's experience.

"The form I filled out in the spring wasn't good for the next year. So, I had about \$7 in ACT forms, and I think my wife filled out at least one. So there was more than \$10 in ACT forms, and I was beginning to suspect that I was actually financing the education of someone else."

-- Jim Hudson, a Western university

Obviously Jim's hard-earned money was not really being redirected to the support of someone else's education; nevertheless his frustration with multiple forms was substantial.

Application forms also symbolize for many students a financial aid process that treats them as objects rather than subjects. Stated bluntly, students often feel "used" by the system. Nina Butts from the Southwest expressed this sentiment at our Texas hearing.

Panel Member: "I take it you filled out too many forms?"

Student: "For not getting anything I did. If I had gotten something, it would have been worth it. Seriously, that's how I feel. It wouldn't have bothered me very much if I had been awarded a job."

-- Nina Butts, a Southwestern state university

The committee concluded from its hearings that primarily because of poor information and counseling, many students have no knowledge about eligibility requirements and guidelines. This lack of understanding reduced most students to an attitude of "apply for everything you can get your hands on, and then just cross your fingers and hope." A system that is thus perceived hardly inspires student confidence in the financial aid process. If the system appears capricious to a sizable segment of the student population, the forms that are integral to that system are its most visible and tangible manifestations.

"I found what I call the 'great ACT [American College Testing] rip-off' or the 'great form rip-off.' You go in and you ask for help, and before you can get a word in edgewise in explaining why you need the money, what your financial situation is, bam! You've got a form in your face, and they say, 'Fill this out and bring it back.'"

-- Jim Hudson, a Western university

Costs to Students and Families

Because student dissatisfaction with the applications really goes deeper than the forms themselves, it would be false to conclude that by merely implementing

the common form policy, student discontent with financial aid will evaporate. While instituting a standardized form will clearly alleviate many of the problems that students experience, it will not substantially reduce the antagonisms that arise from using the educational system to redress economic problems. That is, the forms required to demonstrate need (e.g., the PCS, ACT, and BEOG forms) are integral to an educational financing scheme that assesses a tax (for educational purposes) on various individuals using a standard procedure. This translates into an expected parental contribution based on ability to pay.

It appears that the financially disadvantaged and poor are required not only to pay taxes, but also to "pay" in the sense that they and their children must submit to the financial aid procedures each year for the four or more years required to complete a bachelor's degree.

"It takes a long time and you go through a lot of red tape several times. They [financial aid office] don't give you all the forms in one packet so that you can fill them all in at one time. You have to be running all over the campus, all over town, gathering information."

-- Robert Gonzalez, a Southwestern junior college

This procedure constitutes obvious discrimination against the financially disadvantaged. Additionally, the very procedure that is supposed to guarantee equity is offensive because it is intimidating to those it purports to serve. Reporting income and assets and net worth on an application form may appear to be a relatively easy, routine task for the educated middle and upper classes, but for the poor and the minorities of this country this should not be so blithely assumed.

The proportions that the application form problem has taken on in the student community cannot be overemphasized. Perhaps these quotations will convince those who remain unpersuaded.

"Now, one problem which I find very insulting is that they stick you in a hall. You can stay there two or three hours and all you want is a form. But you have to come up and say You must put down your name and go take a chair and all you want is a form. You don't want to talk to anybody. You want a form, but two hours later, you get a form; and then you're not sure if you've got the right form. You're really not sure." -- Byron Tuggle, a Midwestern university

"When I went to apply for financial aid, I went to the graduate school of management. They just shoved a form at me without saying anything. I was a little upset by that. I went to the graduate office of the administration also. Again, I was asked if I'd applied for a state scholarship. I knew I was totally

ineligible for that because I had to go through my parents and, unfortunately, my parents are too well off by most standards to allow me any help along those lines. So I knew it was hopeless." -- Steve Bitondo, a West Coast university

"I'd like to see automatic renewal of financial aid programs for four years, especially to older returning students who are on fixed incomes like social security or retirement pensions, because the chances are that your status is not going to change during that year. If these were automatically renewed, then you wouldn't have to go through that hassle every year or every semester of filling out the same forms identical to what you filled out before."

-- Jane Milner, a Southwestern state university

The Compulsion To Lie

The last, and perhaps most odious, aspect of the PCS, ACT, and BEOG forms to emerge in the hearings was the practice of lying on the applications to obtain a favorable financial aid package. This practice raises many questions, not the least of which involves the most basic questions of equity. Several students reported that they felt they had to lie on financial aid application forms to compete with other students who lie on their forms.

"Working with financial aid for the past six months, I've been learning about the forms and about the different tacks students are taking and also parents. People lie a lot on forms. It's not hard to lie on forms, especially on the PCS or SFS or something like that." -- Julie Harris, a Midwestern university

Discrimination

Beyond encouraging the current move toward a common application form, the committee can propose no immediate resolution to some of the more subtle aspects of discrimination. We have focused on this issue because it graphically illustrates a type of problem that seriously troubles many financial aid applicants. In the past, this problem undoubtedly prevented some potential students from pursuing a postsecondary education. As a committee, we believe that this issue raises the most difficult and troubling issues of institutional and procedural racism. To offer some off-hand solution to this disturbing situation would be irresponsible. The committee does not intend to propose a nostrum, but, rather, hopes that this discussion will sensitize policymakers to a problem that deserves attention and action beyond the mere institution of the standardized or common form.

Recommendations

1. All financial aid programs -- federal, state, institutional, and local -- should institute a common form such as the one designed by the Keppel Commission.

2. The federal government should adopt whatever common application form is ultimately developed cooperatively for use in determining students' eligibility for Basic Educational Opportunity Grants.

3. The College Scholarship Service should actively encourage its member institutions to use the common form.

4. States should require institutions to adopt the common form as a condition of eligibility to receive state funds.

5. All financial aid programs should adopt a common deadline for aid applications. Additionally, the committee encourages all such programs to move toward a rolling application policy.

6. The College Scholarship Service should minimize the costs to students of implementing the CSS's Financial Aid Form (FAF) experimentally in states in which students must file both the FAF and the Parents' Confidential Statement (PCS) because they apply to in- and out-of-state institutions. When a student must fill out both forms, the charge for filing the second form should be the same as requesting an additional transcript of the first. That is, the total cost to the student for filing forms should be \$6.50 rather than \$8, with the CSS absorbing the difference during the transitional phase.

7. Financial aid offices should arrange for training of all personnel in the use of forms so that staff members can assist students and families in the proper completion and filing of applications.

8. Financial aid offices should sponsor and conduct meetings and workshops to help individuals who want assistance in completing financial aid forms.

5. FINANCIAL AID COUNSELING

"I've been receiving financial aid now for almost three years, and I've never seen how the thing works. I suggested to her [financial aid officer] about eight months ago -- you know, I said, 'Why don't you tell them not to spend all their money at the beginning of the semester?'" -- Dan Walsak, a Western university

Dan Walsak's suggestion that financial aid officers become involved in counseling was one of many similar suggestions made by students who testified before the CSS Student Committee. Information and counseling go together, hand in hand, and counseling without good information is difficult to imagine. In terms of financial aid, students identified the following problem areas.

- Students are not always counseled about packaging options.
- Students are not adequately counseled about their loan repayment obligations and schedules, a problem that can be particularly severe for students with multiple loans.
- Students receive little counseling about the interaction between the financial aid system and other public assistance programs such as welfare and food stamps.
- An informal grapevine exists at most institutions and is a primary source of both information and counseling. Trained peer counselors are needed to improve the counseling and information exchanges that currently go on between students.

Packaging Options

Packaging options are not always made clear to students. For instance, the possibility of exchanging a loan for employment while enrolled does not always immediately occur to students. Will a student necessarily lose the grant portion of his package if he turns down the loan portion of the package? Is it possible for a 7 percent Guaranteed Student Loan secured during the freshman year to be replaced by a 3 percent National Direct Student Loan in subsequent years? How are these decisions made? An adequate financial aid counseling service would be able to respond to these and similar questions. Students are not currently aware that options exist, and rarely are they counseled about various alternatives.

"There's no counseling for financial aids recipients at all. They don't advise you what's available. They don't even show you how to fill out the forms."
-- Jane Milner, a Southwestern state university

Loan Counseling

The second component of financial aid about which students apparently require far more counseling than is currently available is the loan component -- specifically, multiple loans. More and more students look to private and public loan sources for support every year. Not only has there been an increase in raw numbers of loans, but an accompanying increase in percentage of total aid dollars has also created new pressures in this area. An education loan debt of several thousand dollars is a major encumbrance for a young person to assume, especially for students whose undergraduate degrees are declining in real market value. Beyond this, a Guaranteed Student Loan or National Direct Student Loan may be the first experience a student has with any type of loan and subsequent debt responsibility, an obligation that should not be assumed lightly. Next to buying a home, student loans can constitute the single largest financial investment most people make in their lifetime. Surely people who mortgage their lives deserve as much counseling as do those who mortgage their homes.

Too often loans are assumed without much thought or planning in the present, only to become a problem in the future. One manifestation of this situation is the multiple loan problem. Several students with whom the committee spoke had already incurred several loans without realizing that they would fall due simultaneously, with total monthly payment obligations beyond the budget of most newly employed people. As Steve Bitondo pointed out, "no one has figured out the total financial picture."

"I have two outstanding student loans already. I have a third loan outstanding for an insurance policy . . . which is also dependent upon my student status. None of these three loans recognizes the existence of the others. They all assume that a month after graduation, I can pay them back without any trouble. As things stand now I figure I'm going to face repayment of about \$300 a month following graduation. No one has really sat down and figured out a total financial picture."
-- Steve Bitondo, a West Coast university

While students must assume responsibility for their own circumstances, they deserve the relatively minimal assistance and counseling that would avert these types of problems.

Interaction between Financial Aid and Welfare

The third area in which students feel a need for more adequate counseling is the interaction between the financial aid system and welfare programs. Diana Shaktman found this to be a problem.

"There were other things that were just never brought up. One thing was food stamps, which several students apparently have looked into on their own. Nobody in the financial aids office ever told me that that was a possibility. I found out from other students, and it was other students who coached me and told me what information I needed to bring to the food stamp office in order to get them."
-- Diana Shaktman, a Southwestern university

There appears to be at least a conceptual relationship between financial aid and welfare; at the minimum, one could say they both serve people who for some reason need money. The connotation of the term "welfare recipient" is, of course, substantially different from that attached to "financial aid recipient." Nevertheless the welfare and financial aid systems have many obvious similarities, and often serve overlapping constituencies. Likewise the problems that clients experience in each system are often analogous. For these reasons, the committee recommends that financial aid officers intensify their efforts as counselors in helping students to obtain all forms of economic assistance for which they are eligible.

Need for Peer Counseling

The natural and immediate connection between information and counseling should be utilized by financial aid offices to the benefit of students. Through the hearings, the committee found that a primary source of both information and counseling has been student peers. This informal, grapevine information and counseling system has both advantages and drawbacks. The advantages seem to be that students find information quickly this way, while they may have to wait for hours in line to speak briefly with the financial aid officer or counselor. Also, students seem to be naturally more relaxed around their peers than in the more formal, administrative setting of the financial aid office. It is not unfair to suggest that many students view their financial aid office as an adversary. Often they do not understand the policies or procedures used in the office, and this leads many students to conceptualize their interaction as an on-going effort to extract needed dollars from the financial aid office. In this way, the fact of limited financial aid dollars (and increasing demand for those dollars) produces a cynical and hostile attitude toward financial aid offices. In response to such a situation, the informal grapevine of information and counseling on a campus springs up to meet a demand that cannot be met by the financial aid office.

The drawbacks are obvious. Misinformation and contradictory information are often typical of the informal grapevine, and this only generates more re-

sentment when the information turns out to be inaccurate. Time and time again, the committee heard from students who said their "roommate got a job, but I got a loan, and his father makes twice what my old man makes." Resolving the questions of equity and justice in financial aid distribution once again seems to begin with the provision of adequate information and counseling.

The CSS Student Committee recommends that financial aid officers utilize the existing grapevine but improve the counseling and information exchange which goes on between students. Peer counseling could become an integral part of all financial aid offices, with work-study jobs provided for those students who want to pursue this service for their peers. This recommendation parallels our recommendation for better information.

"I think peer counselors could be utilized. There is a work-study-type program financed through the school, and they pay sophomore, junior, and senior students to peer counsel. I think the financial aid office could get together with them and have them do some counseling for financial aid."

-- Jane Milner, a Southwestern state university

"I received no counseling whatsoever. I received no offers of counseling. I found it totally frustrating. I literally gave up."

-- Steve Bitondo, a West Coast university

Recommendations

1. The Office of Education should include a student component in the Basic Educational Opportunity Grant (BEOG) program's training contract. The federal government should actively seek, and provide support for, direct student involvement in information dissemination about the BEOGs.

2. The College Entrance Examination Board should actively encourage its postsecondary members to include financial aid counseling and administration components in their curriculums.

3. Financial aid offices should hire students as peer counselors at the ratio of one student counselor for every 500 students on campus. These employees should receive extensive job training in the field of financial aid.

4. Before any student is given a loan, the multiple loan problem should be discussed at length, with emphasis on monthly repayment obligations and expected income. At the same time, the institution's placement record for graduates should be discussed in reference to future job possibilities.

5. Forms of public assistance, food stamps, and other means of meeting the costs of education should be automatically covered by the counseling services provided through financial aid offices.

6. FINANCIAL AID OFFICES

"I made an appointment to talk to one of the counselors at the beginning of winter quarter about my financial aid, and he looked at my papers and said I would definitely get the money. They would notify me in a few weeks what it was, a grant or loan or something. I didn't hear from them for three weeks so I went in again and was told it hadn't been processed yet or something. I also called someone from their office and was told then that the papers had been processed, but that I wasn't eligible and that I wouldn't receive any money. I couldn't figure out why so I came in again, angry because they hadn't notified me as promised."

-- Leslie Hunna, a West Coast university

The CSS Student Advisory Committee is aware of the many difficulties that confront financial aid officers who are trapped between increasing student demand for financial aid and shrinking federal and state resources. But despite increasing demand, decreasing resources, and the maddening array of state and federal regulations, financial aid personnel should view their practices and procedures in light of the findings presented in this report. We offer these findings not as a wholesale denunciation of financial aid offices (although some certainly deserve it), but rather as commentary on patterns of problems that students commonly experience in their dealings with the local aid office. In general, students who had had, or were having, problems with their financial aid offices made comments or complaints about the following.

- Students questioned the competence of their local financial aid personnel.
- Students experienced many problems as a consequence of practices and procedures utilized by the financial aid office. They resented the long lines, difficulty in getting appointments, or having their files lost or misplaced, and in particular, they felt victimized by arbitrary changes in their aid packages without either advance notice or a channel of appeal.
- Many witnesses testified that they had encountered indifferent, hostile, or offensive behavior from financial aid personnel.

Questions about Competence

The following quotations are typical of the testimony the committee heard in all seven states and indicate a widespread lack of student confidence in financial aid officers.

"The financial aid counselors on this campus don't even know the eligibility requirements of the National Direct Student Loans. They do not even know the eligibility requirements for the Federally Insured Student Loans."

-- Joel Goldberg, a West Coast university

"I had to apply for financial aid. I found the conditions over there pretty bad. The girls that work in the front office are extremely unknowledgeable about the whole process from start to finish, and extremely indifferent. Sometimes it's even difficult to get them to come to the front of the counter to wait on you."
-- Jane Milner, a Southwestern state university

"I think that you should know the programs available, but you shouldn't just stop there. When you go in, you feel like nobody cares about you and you're just a number anyway, and they wish you were the heck out of their office. They got better things to do than to bother with you. And maybe, you know, it's just personality, but my own feeling of helplessness in that situation was such that I couldn't confront them with it. And if anything, I was afraid they'd just withdraw any kind of financial support I might receive anyway."
-- James W. Phillips, a Midwestern university

Whether or not a particular financial aid office actually is "indifferent" is not the issue here. The point is that many students feel that they are dealing with an office that may not be able to help them because of a lack of information, concern, or competence.

Questions about Practices and Procedures

The largest number of problems expressed by students about financial aid offices revolved around the procedures and practices those offices utilized. Simply put, long lines, missed appointments, lost files, and generally poor administrative practices caused more problems than everything else combined.

"The first problem that I had was that I applied for spring quarter financial aid, and they lost my affidavit of nonsupport, so I missed out on that quarter. I think when a student makes the effort to get the information and necessary documents in on time, the least the office of financial aid can do is make sure things don't get lost."
-- Sue Steward, a Western state university

"I was rather concerned, and I felt like I was being really ripped off for not even being considered for financial aid. I know that my files have been lost twice. One other time, I went into the office and I was helping her try to find my files, and I found my file sitting behind the back of a radio. I was helping her search. I just got so mad I just went searching through those files, and I found it on the back of the financial aid office's little clock radio."
-- Joyce Rizzardi, a Western community college

"After I enrolled I called the financial aid office again, and nothing happened until all my papers were completed and filed. Then they lost them. After all the paperwork was completed, I was finally given an appointment to see a counselor and I saw him for the first time some time in March, about six or seven weeks after the semester had started."
-- Audrey Cubow, a West Coast state university

Chris Harris found it very difficult to get an appointment with her financial aid officer to discuss financial aid possibilities, but even when she finally succeeded, she still felt frustrated and confused. Like many of her peers, Chris did not seem to understand the theory behind need analysis.

"The communication is poor through the financial aid office. With only one officer, it does take a month or so to get an appointment. The papers we have to fill out have duplicate forms for everything. One form in particular was distasteful. They ask what kind of property you own and how much everything is worth, especially your car, the value of your car, and that's as if they are operating from the assumption that you can sell your car and use that money to go to school, but if you sold your car what would you have for transportation?"

-- Chris Harris, a West Coast college

After hearing from Chris, the members of the CSS Student Committee briefly explained the need analysis theory, and she finally began to understand what no one had ever bothered to explain to her in the past.

A specific issue about which several students testified was the practice of changing financial aid packages without notice. This usually involved an upper-classman's grants being replaced with loans, after he had been told (or led to believe) that his grant award would remain the same for all four years.

"Also on this campus, and probably on many other campuses, by the time you're a senior your grants are completely eliminated, or almost completely eliminated, and you're required to take all loans. From freshman year on, you're slightly decreased. Grants in size will be decreased and they say that's because they want to give freshman grants." -- Joel Goldberg, a West Coast university

This specific issue was part of a larger question of what one student termed "due process."

"Another thing the students were concerned about was due process. They felt they had a right to be consulted before the changes in packages are made within the financial aid, the right to advance notice with written reasons for the change, the right to appeal decisions made on financial aid packages, the right to confidentiality of information, a right to a hearing to determine feasibility of repayment of loans . . . the right to be treated with courtesy and respect."

-- Donna Roberts, a Western state college

The following are all representative examples of procedural difficulties which students experienced with their financial aid offices.

"It seems that people have complaints about the inaccessibility of financial aid offices. The financial aid office is now open three hours a day: 10:00 - 11:30 and 1:30 - 3:00. This is supposed to be a temporary thing but it has been going on for a while. It is really hard to get in to talk to them and the lines are long. When I first found out I was going to have to produce my father's income tax forms, I wondered about why that was, since I was supposed to be independent. I went in to see them and they said that until I am 26 years old that it still matters. I asked them just how the priorities are assigned, how it relates. He said he couldn't tell me, it was a secret."

-- John Bergere, a West Coast university

"There's so much red tape that they say they would rather work than go through all of that hassle. The one I went through: three months I was applying and asking and calling and trying to get it, and I found out it was a \$50 loan and I never got it. I questioned where this lady was who controls all this money, what she's doing with it. I was getting desperate because I didn't have my BIA [Bureau of Indian Affairs] money. I got a Model Cities Scholarship. In just one application and one interview here comes \$400 -- it was beautiful. But I can't count on it. I don't know if I will get it or not next time.

-- Martin Seneca, a West Coast university

And this testimony from the hearings may also help to explain why some students are particularly enraged.

"In March 1974 I was handing in the necessary forms for financial aid, and the receptionist at the financial aid office said that I did not have to hand in a copy of my parents' 1973 income tax form. I insisted that the financial aid office wanted a copy last year, so they probably want one this year. But the girl said I did not have to hand it in, so I held onto the copy of my parents' income tax form. That summer, around July 1, I got a letter from the financial aid office saying that they would not process my application for aid until they received a copy of my parents' federal income tax form. So I promptly sent it in, but two weeks later I got a letter saying I did not receive any financial aid. I went in and talked to the counselor who said I was qualified for aid, but that I had handed in my parents' income tax form too late."

-- Dan Pskowski, a Western state university

The combination of poor information, long waiting lines, and indifferent staff members often produced a hostile attitude toward the financial aid office among the students who testified. And almost without exception, students from any given campus were usually unanimous in either their condemnation or commendation of the personnel and practices of their local financial aid office. That is, a financial aid office seemed to either have a good reputation or a bad reputation on campus, with little in between. Aid offices at the larger institutions generally drew more fire than did the financial aid offices on small campuses. The staff's ability to get to know virtually all financial aid recipients was un-

doubtedly a decisive factor in the more favorable evaluations given to aid offices by students at smaller schools.

"Previous years I was at a private college. The tuition payments were much higher, of course, [but] they have a very nice policy wherein they intend to make sure that anyone who is accepted into that school can make it through financially. I found that very helpful. As a small private college, they have been more able to do it perhaps than my present institution. Unfortunately, they also did not sit down and think of the whole thing as a total package all the way through repayment." -- Steve Bitondo, a West Coast university

"Well, I found my own job. I didn't go through the student work program. I had to go there for a referral, but I have never talked to anyone in [the] financial aid [office] about financial aid because they're so At times, it seems like they're understaffed or too busy. And it's like health services; you know, you go in and you end up catching something you didn't have before." -- Dawne Wright, a Midwestern university

Although we invited participants from public and private, large and small colleges alike, we heard from comparatively few students at private colleges and hypothesized that such students experienced fewer problems with financial aid.

Charges of Mistreatment

Most students who encountered problems in trying to learn about or obtain financial aid from their local financial aid office felt that they had been mistreated. Forms of mistreatment ranged from an indifferent attitude . . .

"And at the financial aid office, I was greeted by almost a completely indifferent attitude. You know, 'Well, I'm sorry, there is nothing we can do for you. Goodbye.' I'm getting hungry. The rent's overdue. 'Well, that's too bad. We'll give you a short-term loan.' But a short-term loan wasn't going to solve my problems at all." -- Robert Stulz, a Western state college

"When I went to the financial aids office, I got the impression that they were satisfied as long as they had my little file in order and as long as they'd sent me out a letter saying, 'We regret to tell you this, but.' They felt like I was taken care of. I didn't feel like they were really interested in letting me know what my options were or in really telling me the straight story." -- Nina Butts, a Southwestern state university

. . . to asking for gratefulness . . .

"When I went over one time and questioned them about this, I was told that I should be grateful for receiving the money. I was paying 6 percent interest, or will be paying 6 percent interest, and I didn't think that gratitude had any-

thing to do with it. It seemed like they felt like I was taking food off their tables in order to provide me with this money." -- Anonymous by request

. . . to outright offensive behavior . . .

"I had quite a bit of problem seeing them also. To see the director, it's impossible. I never talked to him; I always talked to the secretaries and they said, 'Oh, it's you again, what's your problem now?' So they kept having all these notes promise to pay them back for this emergency loan and that emergency loan or whatever. They couldn't take into consideration what my past debts were, so as a result I never got anything paid off."

-- Robert Bullock, a Western college

. . . to a very antagonistic and destructive interaction which was interpreted by one student in terms of raw power.

"That day I waited until afternoon and had to smoke several cigarettts before getting up the nerve to speak to the people who had the financing power over me. After a one-minute meeting, I was told that these applications were scattered in one of these files, and that it was only a mistake I hadn't received anything by mail. In less than one minute, my worries for a week were suddenly gone. I don't know who these people are, but they hold a great power over me, and I don't know if I can depend on them. But my concern is for the people that just can't approach that financial aid office without fear. And I've had people come up to me and say, 'Do I have to wear my falling-apart clothes to apply for financial aid?' As though that made some kind of difference, you know. And I've heard that many times from students."

-- Don Walsak, a Western university

If the foregoing testimony doesn't convince the reader that some students feel more than a little cynical about the attitudes and practices of their financial aid officers, consider one final case.

"One point I was concerned about is the way that they decide your financial need. Talking to the financial aid officer, he told me personally that he's the one who decides arbitrarily what any student will receive.

-- Chris Harris, a West Coast college

Recommendations

1. Financial aid offices should institute a program for training all personnel in the theory and administration of federal and state financial aid programs.

2. A student-run and student-controlled review panel should be established to hear student appeals of financial aid decisions related to levels of funding

and packaging. Panel members should be compensated for their time under work-study programs.

3. No student's financial aid package should be changed from one year to the next without due notice and without recourse to an appeals procedure.

4. Financial aid officers should make sure that recruitment and admissions counselors are not making financial aid commitments to potential students that the financial aid office cannot fulfill.

5. Financial aid offices should not "bait" students with high grant and low loan aid, only to "switch" later to high loan and low grant aid.

6. A student review panel should be asked to review periodically all practices and procedures of the financial aid office and staff to insure that they meet students' needs.

7. Institutions should use the administrative allowance under federal financial aid programs both to support information dissemination efforts and to upgrade financial aid offices and staff, including, where necessary, the employment of a full-time financial aid officer.

8. Institutions should make affirmative efforts to improve the wages, hours, and working conditions of financial aid personnel.

9. Institutions should not levy interest charges or late fees against students whose payments are late because of delayed financial aid awards.

10. Professional organizations of financial aid administrators should develop and articulate minimum standards of performance within the profession. Such organizations should explore the implications of licensure for aid counselors and accreditation for aid officers.

11. Professional organizations of financial aid administrators should formally recognize the role and the rights of students in the governance of the student financial aid system. Such recognition should acknowledge the importance of adequate compensation and support services for students who participate in those governance activities.

12. The College Scholarship Service should periodically survey its membership to determine the extent to which its guidelines for a "model financial aid office" are both applicable and applied, and should report such findings to the member institutions.

III.

Problems Associated with Particular Types of Aid

7. GRANT AID

"There is confusion on my part as to what exactly are the regulations as far as grants . . . are concerned. I have the feeling that it is not made plain to me."
-- Bonnie Strong, a Western university

Predictably enough, the grant form of aid drew the least criticism from students; it is no secret that grant aid is universally preferred to loan or work aid. However, most students believed that because tuition and living costs were increasing at a faster rate than increases in grant aid, the major problem with grant aid was that there simply wasn't enough of it.

A few other complaints and problems related to grant-type aid were also identified by witnesses, including the following.

- Many students did not understand the entitlement features of the Basic Educational Opportunity Grants (BEOG) program, and thought that their financial aid officers controlled and awarded BEOG funds.
- Despite a dramatic increase in BEOG applications over the past year, neither the BEOG program nor most state grant programs receive truly adequate promotion on a wide-scale basis.

- Timing and disbursement of grant checks from many grant programs, including the BEOG program, are poorly coordinated with students' payment deadlines.
- Few grant programs (federal, state, institutional, or private) are designed to respond to the special needs of some nontraditional students.

Confusion about BEOGs

When the BEOG program was first designed in 1971-72, the award was envisioned as an entitlement which needy students could take to the institution of their choice. According to this strategy, students would effectively be encouraged to "vote with their feet," and the universe of postsecondary educational institutions would become the "marketplace" to the "student-as-consumer." Program designers hoped that the arbitrary awarding of grants by financial aid officers would be eliminated or reduced by the application of such a strategy. Unfortunately, most students are not yet aware of the program's entitlement dimension, and their lack of understanding raises questions about BEOGs actual contribution to achieving equal educational opportunity, access, and choice. If this program is truly to serve as the floor on which other aid programs are built, the foundation needs substantial work before it can be considered complete.

In general, the committee found that most students were, at best, only vaguely aware of the nature and scope of the BEOG program. Few understood its entitlement features, and many believed that their financial aid officers controlled, calculated, and awarded BEOGs. Several thought that BEOG funds were a form of institutional aid, rather than an entitlement program, as the following exchange demonstrates.

Panel Member: "What was the reason for it [being turned down]?"

Student: "Lack of funds."

Panel Member: "For the Basic Grants?"

Student: "Yes, my junior college only received half of the money it was supposed to receive." -- Robert Gonzalez, a Southwestern junior college

A variety of factors undoubtedly contribute to students' confusion about the nature of the BEOG program. Many students experience the program as an institutional program (e.g., they receive their checks from the financial aid office, and they are seldom clearly informed that they may use the award at the institution of their choice). Additionally, every student who misinterprets the program as a form of institutional aid leads other students away from understanding the nature of the BEOG program correctly.

Insufficient Information

Inadequate information about the BEOG program is probably the most significant factor in students' confusion about the nature of the program. Particularly when it comes to communicating with prospective students, information about the program's entitlement feature is essential if the goals of access, choice, and opportunity are to be realized.

Time and time again, the committee heard from students who had learned about the program too late to apply for funds, or who had learned about the BEOGs virtually by accident from "nontraditional" sources of information. Mothers seemed to be a common source of information (or at least ideas) about where to turn for financial assistance.

"I went in at the beginning of the year and my Air Force Aid Society loan was already there. I mailed in my BEOG last summer, which I never found out about from school. I found out about it on my own. My mom said, write Health, Education, and Welfare and see if they have any money they can give you. And they sent me this form, I sent it in, and it came back really favorably."

-- Doug Schwartz, a Western university

Panel Member: "How did you find out about the BEOG program?"

Student: "My mother talked to her coworkers. We called the regional HEW office, and they sent me an application."

-- Donna Rhodes, a Western university

Initially in jest, but with increasing seriousness as similar testimony came from more and more students, the committee considered suggesting that the Office of Education mail BEOG information directly to mothers as a major component of its dissemination efforts!

Clearly, reliance on high school counselors and traditional methods of information dissemination is not enough. Julian Martinez' experience with his high school counselor was only one of many similar stories we heard.

Panel Member: "Did anybody in your high school have information on Basic Grants?"

Student: "That BEOG is one thing I got from my counselor and that's 'cause they forced it on her, I think. That's what she said, 'cause I went there about a month earlier and I asked her for the form and she said, 'Well, they're not here yet.' Then I went to the university that same weekend and I found out that they had gotten all the BEOGs and stuff, so I went back to my high school counselor and she said, 'Well, they haven't sent the forms yet.' So I went in the next day and all the forms were on the table and I guess she just didn't have time or something. I don't know what her excuse was. I just don't want to say any-

thing to hurt my counselor, but she just wasn't doing her job."

-- Julian Martinez, a Southwestern university

Without the creation of new and carefully coordinated information systems, the educational "marketplace" will remain closed to many students, particularly to those from populations that have been traditionally underrepresented in post-secondary education. In Julian's case, he was able to overcome the limitations of the current information system largely because of his own considerable initiative. But even after he managed to find out about the BEOG awards, he still had to exercise unusual initiative to get through the application process.

"Going back to the BEOG, on that form, most of the people don't know what they're supposed to fill in and what they're not supposed to fill in. I don't know why the counselors don't set up some sort of seminar or something, where they can discuss the form and show people what they're supposed to fill in and what they're not supposed to fill in. So again what my group did, we just got together, worked on it all together, and we filled in all those forms together and we kind of did everything on our own. And it turned out great for us 'cause most of us got into school and we're still in school, except one."

-- Julian Martinez, a Southwestern university

Julian's story had a happy ending: he actually obtained a BEOG. Many other students from whom the committee took testimony were not so fortunate. Lacking Julian's base-line information (he at least knew enough about BEOGs to track down the elusive applications), as well as his unusual determination, they were less successful in working through the system. The dramatic and largely unexpected increase in BEOG applications over the past year should not be allowed to obscure the continuing reality that many students who are enrolled and eligible are not participating in the program because they lack accurate, adequate information about it. At several points throughout the hearings, a student was informed -- apparently for the first time -- about the existence of the BEOG program by members of the committee.

Timing and Disbursement Procedures

Another specific problem which students encountered with grants (including the BEOG program) was the timing of disbursements and the procedures for transmitting checks. In many instances, disbursements were poorly coordinated with deadlines for paying tuition and fees and meeting other expenses incurred in the course of normal academic work.

"I made my BEOG application ever since last February when I was a senior in high

school. When I went in to register and I had all my classes and everything, I didn't have any money for books because the grant wasn't in. I went a whole week without any books for my classes. . . . Now there is something else I have to say. I had a lot of problems with my supplies and books at the time of registration, 'cause I didn't have any money at all. I was thinking that maybe there'd be some portion, maybe not all of it but a portion of the BEOG or some money, instead of a short-term loan where you would have to pay it back in a couple days. Some money of the grant should be issued out at the time of registration."

-- Tomasita Garza, a Southwestern junior college

"For instance, BEOG sends a form -- four weeks later, he gets a reply whether he's eligible or he's not eligible, under a coded number, and in a lot of instances, for instance, funds are based on the previous year's monies, and an institution may get X amount of dollars but more students may be eligible under BEOG than was originally anticipated; and as a result, the financial aids officer has to send in another requisition for more money to cover these students. Okay. This happened just recently. When the financial aids officer requisitioned for more money, it took another 8 weeks -- 8 to 10 weeks to get this money from Washington, D.C. This then caused quite a bit of a problem because students had their eligibility index number, and they were eligible for this money at the end of the four weeks; but the college did not have the money. It had been re-requisitioned because they had run out of money, and it wasn't until last week that the money came in. Now, these students that are being paid, under BEOG, are students that had their eligibility numbers at the end of November. Now, I think you can see what a hassle this can result in. I mean, it can cause students to drop out. It can cause all kinds of unbearable situations, which it did. As a result, I don't know how many students did drop out because they didn't have financial funding from BEOG."

-- Marvin Grant, a West Coast community college

Students who experience this sort of "time lag" may be placed at a disadvantage academically for part or all of a term because they are unable to purchase books and supplies when needed. They may also experience a variety of other problems in managing their personal affairs (e.g., rent payments, food bills) because of delayed checks -- problems that may indeed, as Marvin suggests, cause students to leave school altogether. Finally (and this is surely a case of insult being added to injury), a few students testified that they had been penalized by late fees and the like because their funds had not arrived in time to pay their tuition and fees!

Need for "Small Grants" Programs

Scattered but poignant testimony on the need for "small grants" programs aimed at nontraditional prospective students prompted the committee to include a note on the special needs of older first-time students. Some witnesses -- usually older women who had recently started or returned to college and continuing-education counselors who worked with them -- suggested that grant aid should be

made more readily available to students who could only take one course per term. One particularly interesting proposal revolved around the notion that women who had never attended college, or had been away from college for several years, often needed the encouragement and motivation provided by noncredit seminars, courses, and workshops aimed at clarifying their educational and career objectives and sharpening their academic skills. Although the successful completion of such special programs helped many participants to move into courses for which they could obtain both credit and financial aid, needed financial support for that critical first step was seldom available.

Recommendations

1. Financial aid offices or institutions should not disburse Basic Educational Opportunity Grant checks without a clear and direct notification to recipients that BEOG funds are not institutionally controlled and may be used at the institutions of the students' choice.

2. The federal government should advise BEOG applicants of the range of possible awards they could expect to receive attending various types of institutions. Currently students know only their eligibility index number, which does not indicate this type of information. Such information could be presented in this form.

Eligibility Index Number = X

Average State University Cost [In Applicant's State] = Y

Average Private College Cost [In Applicant's State] = Z

Estimated BEOG Award at State University = _____.

Estimated BEOG Award at Private College = _____.

3. Financial aid offices should make sure that grant award checks are available to students to coincide with payment deadlines for tuition, room and board, books and supplies, etc. When award checks are unavoidably delayed, aid officers should arrange for the deferral of required institutional payments (e.g., tuition and fees) and waiver of late fees or other penalties.

4. The states should institute "mini-grant" programs, which would make small awards in the \$100-\$200 range to students who need comparatively small awards to meet their educational costs.

8. LOAN AID

"The problem is when you start taking out different loans one after another they all require repayment at the same time. What's probably going to happen to me, perhaps to a lot of other students, is that when the time comes for repayment they're actually going to have to go to an outside bank and refinance the whole thing."
-- Steve Bitondo, a West Coast university

Of the three forms of student assistance (work, loan, and grant), the various loan programs received the most criticism of the sort that went beyond the administrative and technical problems that characterized grant and work aid. The most serious criticisms centered around the following.

- Private lending institutions reportedly discriminated against poor, minority, women, and nontraditional students in making loans.
- Many students testified that they had been "pressured" into taking loans as part of their financial aid package.
- Many students felt considerable apprehension about their ability to repay loans, and the attendant pressures often affected their academic performance and future educational or career aspirations.
- Many students testified that they had not been adequately counseled about their repayment obligations.

Discrimination by Private Lenders

It is well known that few private lenders will make a Guaranteed Student Loan (GSL) to students unless they come from the community where the bank is located. After exhausting work and grant possibilities, students can rarely expect to secure GSL loans unless they or their families maintain a standing account at the bank. This problem was reported throughout the country.

"It was one of these guaranteed loans, and I went through all the banks in Greeley, and I didn't get anywhere because you have to have an account. That's a laugh. If I had the money to have an account, I wouldn't need that loan anyway, would I? . . . it just seems like I'm not getting help anywhere."
-- Joe Diaz, a Western university

Not only were students experiencing difficulty in obtaining loans, but also lending institutions in several states were moving rapidly to get out of the program as well. The uncertainty and confusion caused cannot be overestimated by the CSS Student Advisory Committee. Students who had in the past counted on securing small loans (under \$1,000) each year to meet their educational costs

were justifiably concerned about completing their undergraduate degrees. If the loan situation poses a real problem for some white, middle-class students, the implications it has for the poor and the minorities of this country are frightening.

"And a lot of times these people have nowhere to turn because being from poor, poor income brackets, they were definitely a risk to banks."

-- Geri Maestas, a Western state college

Pressure To Take Loans

Because it is indeed difficult for some students to obtain a loan from a private lending institution, it is ironic that so many other students felt that they were "pressured" to take a loan as part of their financial aid package.

"I have been subtly pressured to accept a loan, specifically a Federally Insured Loan and perhaps a National Defense Loan."

-- Ester Kahn, a West Coast state university

"In our financial aid office, they push you. They must get their jollies from pushing you to take these bank loans. That seems to be the resort they always take. I realize, now that my graduation date is coming up that I will be close to \$5,000 in debt. I will be paying two loans off, one at 3 percent and one at 7 percent and as several of us said, the job market is tight, and I had thoughts of filing bankruptcy at the age of 21. I'm very dissatisfied with the financial aid office, and I guess I've stated my case."

-- Lindsay Touritigian, a Midwestern university

As part of the financing picture, and a growing part at that, loans can clearly influence student choice. That is, the total loan burden in a financial aid package will determine in a student's mind the accessibility of different types of education. Julian Martinez was, like many of his peers, "warned" about loan debt by his father, who had made a realistic assessment of employment possibilities for Chicanos in the Southwest and was understandably concerned for his son's future.

"Well, that was one thing I was worried about in school. I was thinking about not going to school at all 'cause of the loan. My father kept warning me about loans and he told me to go to a state school. I just didn't want to go to a state institution. I had heard that my present college has the best premedical committee in the state, one of the best anyway. Since my field is biology, I just felt like I wanted to go here.

-- Julian Martinez, a Southwestern university

For some students, insufficient information about loans becomes a block to a successful postsecondary education. From the testimony taken, it appears that instances of "pressuring" a student to take a loan often resulted from inadequate information and counseling. Several students told the committee that no one had explained the repayment period for them, nor assisted in "figuring out the whole financial picture," as one put it.

Panel Member: "Are the students aware of what they're doing when they take out the National Direct Loan?"

Student: "No. I would say about 30 percent of them are not."

-- James Lloyd, a Midwestern university

"The people seem also there to push loans. They really seem to get off on pushing loans. They don't tell you what's available. It seems like they are much more interested in getting the loans because evidently they are simpler."

-- Jane Milner, a Southwestern state university

Repayment Problems

Apprehension about their ability to pay back loans is typical among many students. Many express concerns that can even influence how successful they will be in their academic work. The subtle pressures which result from such anxiety place a burden on some students -- a burden that their peers who do not depend on loans never have to bear.

"I also have \$2,000 worth of NDSL loans that come due nine months after I graduate, as they do with everyone. But the amount that I will be expected to earn after graduation to pay for rent, utilities, doctor bills, clothing, and my NDSL is staggering. I just feel that it is very difficult for a new graduate to get that kind of job right away."

-- Bonnie Strong, a Western university

Requirements of parental cosignatures for loan promissory notes posed a unique dilemma for some students. After having been declared independent from his or her parents, a student might then be offered a Guaranteed Student Loan only on the condition that the parents cosign the promise to repay the loan! The problems of the independent student are discussed in greater detail later in this report. However, it bears mentioning here that for the independent student, obtaining a loan may require becoming once again dependent upon one's parents in a new and indirect way. Diana Shaktman had a similar problem, which involved another student, rather than her parents, as a cosigner.

"I had a fellow student cosign the loan papers. So I went back into the financial aid office and I told the financial aids officer and he just went berserk. I thought he was going to have to be restrained. He said he would not under any circumstances allow another student to cosign for a student, no matter what. And that was it. I couldn't get him to say anything more about it. 'No, I don't want my signature on a piece of paper where another student has cosigned,' [he said], 'I won't sign it.' And I said, 'Well, maybe you won't have to get involved. I'll call the foundation and just find out if that would be acceptable to them. The guy is a lieutenant and he has a good income.' 'No, if you dare call behind my back you'll be sorry,' [he said]. So I just cried a lot. I couldn't figure any way around it. The whole thing got dropped. He just wouldn't allow me to do it." -- Diana Shaktman, a Southwestern university

In summary, the loan component of student financial aid involves many problems for students.

1. Students are requested to take on loan debt and, at times, "pressured" against their desires.

2. When institutional loan funds and National Direct Student Loans (NDSL) funds are exhausted, students must turn to private lenders and the GSL program. The latter loans are never awarded on the basis of need alone, and the loan-making process involves factors that raise serious questions about discrimination against racial minorities and the poor. Once again, the collective assumption that loan funds are available applies much more readily to white upper- and middle-class students than it does to other segments of the population.

3. Students in the past have been told that they would maintain their freshman year ratio of grant to loan aid, only to have their grant aid turn to loan aid in subsequent years. Often this change has been effected without prior notice, and in the absence of appeals procedures for students.

4. Students have not been adequately counseled about repayment rates and periods for education loans. The committee recognizes that ultimately a loan is a student's responsibility on graduation, but at the time the loan is made, the repayment obligations should be clearly outlined; and at the least, the student should be helped to recognize the problem that multiple loans may present in the future.

"On the National Direct Student Loan, it's almost impossible to get those. I think that if perhaps the financial aid department would go and do a little PR work in the community with the banks and show them that this could be beneficial to them, that it would make it easier to secure a lower-interest loan. I think all of us know what it is like to go in and be treated like we were lepers 'cause we were asking for a loan -- not for charity, we are asking for a loan." -- Jane Milner, a Southwestern state university

"Our college does not have the Guaranteed Student Loan; that's institutional policy. Okay, in this city there are no lending institutions. The lending institutions, two banks, will not guarantee a loan. The only one in the area that does this, is in another town. But, they don't like to lend money to people outside of that town." -- Rita Gonzales, a Southwestern college

"I got my bachelor's [degree] on a loan, a scholarship loan based on ability. It is very difficult to do that, and a large number of my friends who came to graduate school the same way have dropped out. If you get a bank, they hound you to death. You have to drop out and then you get a job to pay it back. I fortunately got mine from the state and they allowed me to defer [payment] for two years for graduate study. . . . Right now I'm starting to pay back the loan and continuing school." -- Barbara Keating, a Southwestern university

Recommendations

1. Congress should maintain the National Direct Student Loan (NDSL) program and not rely solely on the Guaranteed Student Loan (GSL) program, since experience under the latter suggests that many minority, low-income, and women students encounter discrimination in obtaining educational loans from private lending institutions.
2. Federal and state loan programs should institute a 12-month (rather than a 9-month) grace period to facilitate "stopping out" by loan recipients.
3. Federal and state loan program administrators should explore methods of dealing with the multiple-loan problem, such as consolidation of loans to provide for lower monthly repayment rates and common schedules.
4. Institutions should develop low- or no-interest emergency student loan funds.
5. Financial aid officers should not pressure students to take a loan to finance their education. "Cooperative education" options (alternating periods of employment and enrollment) should be presented as an alternative.
6. The percentage of loan aid in a student's financial aid package should not be altered without due notice to the recipient, who should also be given the opportunity to appeal any change in the financial aid package.
7. Financial personnel should discuss repayment schedules and obligations, as well as future income for loan recipients.

9. WORK AID

"I went to the financial aid office on October 6 and asked, 'What's happening with my application for a work-study job opening for the spring?' They said, 'We haven't even started on those yet. We've sent out letters to people who are on the waiting list for whom we already have work-study jobs, and we're waiting to hear from them. When we hear from them, whatever jobs are rejected, we'll send more letters on those.' In effect, what's happening right now is that jobs are sitting around being wasted that people could take. I think the communication procedure is pretty slow." -- Nina Butts, a Southwestern state university

Beyond the need for more student jobs and increased work-study funds, the work-related problems most frequently cited by students through the hearings included the following.

- Because not all on-campus jobs are considered as forms of financial aid, some students with demonstrated financial need were unable to obtain work, while other, more affluent students were able to secure employment on the campus.
- Because financial aid recipients, including work-study recipients, are often explicitly prohibited from holding other part-time employment, regardless of their unmet financial need, some students were either forced to give up their job (or their aid) or, in some cases, felt compelled to hide their additional earnings from the financial aid office.
- Because of the constraints on the number of hours that can be worked under a work-study contract, some students felt that they were economically handicapped and/or trapped in "make-work" jobs.
- Because off-campus and on-campus employers recognized how desperately students need jobs, some students felt that they had been victimized as workers, and forced to settle for substandard wages.
- Because the fixed "summer earnings" component of the student budget is a contradiction within need analysis, some students were expected to contribute savings from summer employment that they had never been able to secure.

Student Employment Isn't Always Aid

The fact that not all on-campus student jobs are awarded on the basis of financial need created enormous confusion and resentment among many of the students with whom the committee spoke. Situations in which needy students could not find on-campus work while their more affluent peers held jobs are evidently quite common. Sometimes the situation develops because of inadequate information dissemination about available openings.

"What they do right now, if there is a position open, [is to] try to get someone who does qualify for work-study. But, however, if no one applies and they don't actively seek out people to fill the jobs, they will fill it with anyone who happens to be there, whether they qualify for financial aid or not. That's been a practice for years on the campus because the program isn't advertised and it's not explained. There is no setup to find out about financial aid and jobs when you first register, so half of these positions are probably held by students who aren't receiving financial aid." -- Nina Butts, a Southwestern state university

Sometimes the situation develops because control over employment funds is divided between faculty members and the financial aid office, with different sets of employment criteria applied by each. Few colleges and universities have apparently been able to successfully resolve the conflict between students' need for work as a form of financial aid, and faculty members' need for particular kinds of skilled labor.

"Faculty and departments ask for a certain type of student with certain skills and they're always unwilling to take one who doesn't have those skills and train him. It's hard for the aid officers to get across . . . that this is the program -- financial aid, not a job placement -- and to try to find skilled students [on financial aid]. For instance, let's say some department says [to a student], 'You know we want typists and you can't type, so we're going to give it to a guy who can type,' . . . even if his income is \$4,000 more than yours is." -- Jorge Sancedo, a Southwestern junior college

The goal of matching up financial aid recipients who need jobs with on-campus employers who need specific skills can probably never be successfully achieved across the board on most campuses. But better information about job possibilities, as well as better information about how the system works, might at least reduce some of the tensions and hostilities produced by employment practices that seem inequitable to many students.

Disincentives to Work

Because work-study contracts often explicitly prohibit students from taking on additional part-time employment, students who hold on-campus work-study jobs often feel that they are at a disadvantage by comparison to their peers employed off the campus in local business or industry.

"An on-campus job is easily monitored while off-campus jobs cannot be kept track of. People can earn as much as they want. I've had to quit an on-campus job because I've neared my 'earning limit.' What I earned in December, only about \$60, counted in my earnings, while again, students who left the campus were allowed to earn as much as they could." -- Denise Mongeau, a Midwestern university

Prohibitions against additional part-time employment are particularly frustrating to students who simply need more money than they are currently receiving through financial aid. As discussed elsewhere in this report, student budgets are often set at unrealistically low levels and sometimes are used more as a rationing device for limited funds than as an accurate indicator of living expenses. Consequently, students who opt for an extra, off-campus job sometimes feel compelled to hide their earnings from the financial aid office, lest their already insufficient aid be further reduced.

"There's a definite tendency to cover up any other job you may have. We have several girls on campus who are Avon ladies but keep their mouths shut, because that's a little extra money coming into the house If you don't earn so much, it doesn't have to be claimed [on tax returns], but if you do, that's going to show up on your W-2 form. . . . In most cases, if you're earning a decent wage, you're either cut down or asked to pay back whatever you got [from financial aid]. . . . If your [other] job is reported to the financial aid office, your financial aid is completely reevaluated. If you are making too much money on that part-time job, you sometimes end up paying back the work-study money or loan money that you earned that year. So you are cutting your own throat by getting a part-time job. . . . If you do have another job, you should keep your mouth shut."
-- Margo McLoughlin, a West Coast state university

Constraints on Hours

The constraints on the number of hours that could be worked under a work-study award created other kinds of problems for students. Interestingly enough, most of the work-study recipients with whom the committee talked did not particularly object to the fact that their job assignments were not career- or major-field-related; for the most part, they were grateful that they could get jobs, since it helped them to avoid greater loan debt. However, because of the constraints on the number of hours an individual could work in any given semester, jobs often failed to provide students with work experience, much less career- or major-field-related experience.

"Work-study jobs are necessarily semiresponsible, discontinuous. Employers who hire work-study students lose their employees right in the middle of things when their hours run out. It makes it less than a real job; . . . it makes it a "toy" job. It's pretending, and it's to keep me busy; . . . to let us all pretend that I'm making some money of my own."
-- Maxine Lankford, a Western university

A second problem posed by the constraints on the number of hours an individual can work was a sort of budgeting or "cash flow" problem -- not a small problem

for students on extremely limited incomes.

"I am still a work-study student; I work 15 hours a week for a program at the school. I am now making \$2.50 an hour. Most work-study students are making \$2 an hour. At our school, that means you can work a maximum of 60 hours per month. Now, the [working] days go from the 23rd of one month to the 24th of the next, which sometimes cuts you down maybe as low as 52 hours, where another month you may have 68. That means that at \$2.50 an hour student pay [for 52 hours], you're making \$130 a month. Not much is taken out. You probably get \$113. That is all you are getting. Your loan is divided; I had a \$500 loan, and I was given \$250 a semester. Fees [were] \$95, parking fees [were] \$15, and books were -- well, whatever they ran. Sometimes I was left with maybe \$50 from the loan money itself. I just got the raise to \$2.50 this last August. For two years I was living on that \$2 an hour -- so that meant I was supposed to live on \$150 a month. . . .And, of course, you are not supposed to have another part-time job."

-- Margo McLoughlin, a West Coast university

A third problem posed by limitations on working hours is created by the wage differential such as that cited in the foregoing testimony. Students who work at a lower work-study wage than other recipients may have to work more hours per semester to "earn" their financial aid award, and this can place an extra burden on some students. Several witnesses reported that their working commitments created undue personal pressures and, in some cases, adversely affected their academic performance. Students who must work for a lower work-study wage than other work-study recipients feel the pressure more, and, of course, all students who must work to stay in school feel the pressure more than their counterparts who can devote themselves on a full-time basis to academic and other pursuits. This particular dimension of the work-related problems is especially important in assessing the needs of incoming students who are both economically and educationally disadvantaged.

Problems of Student Workers

Because many students need jobs so desperately, they are easily victimized by employers, both on the campus and off, and made to settle for "substandard" wages and working conditions. Some witnesses reported incidents of arbitrary and capricious treatment by employers.

"At the discretion of individual supervisors, people get fired from their work-study job for missing a day for being sick."

-- Nina Butts, a Southwestern state university

Others testified that off-campus employers exploited student labor, and they expressed resentment that students were not considered as citizens who should be

afforded protection under minimum wage laws.

"[Students who need work] have to get jobs that have flexibility, and so the employers in the town actually sucker these people. What they do is just leech onto them because they know they need that job, so they pay them an absolutely minimal amount . . . less than the minimum wage."

-- Geri Maestas, a Western state college

Still others expressed resentment that neither private employers nor financial aid officers dealt seriously with issues like increases in the cost of living as they impacted on students. Work-study students at one college formed a union, and they met with this response from a financial aid officer.

"When we were bargaining for wage increases, what we asked for was a decent increase to match what the minimum living expenses are in our county, and he said that was totally unrealistic." -- Chris Harris, a West Coast college

Contribution from Summer Earnings

Finally, the fifth major work-related problem consistently raised by students in all seven states was the arbitrarily established amount of money they were expected to save from summer earnings as a contribution to their educational costs. Some students likened this requirement to expecting parents to contribute a minimum amount of money to a child's education, regardless of a family's financial circumstances. The fixed summer earnings expectation is a contradiction within need analysis and flies in the face of the theory of need-based financial aid. Although organizations such as the College Scholarship Service currently state that the expected student contribution from summer earnings is not intended to be used as a fixed and rigid sum, many institutions have evidently held the figure up as a required (rather than expected) contribution. Some students who had been unable to find summer jobs at all were expected to contribute \$400 from their presumed "summer earnings."

"On my form, they state how much money I was supposed to contribute; I don't see how they possibly got that figure. They said \$400, and I never had a job that summer before. For me to have gotten a job last summer, being only 17 years old -- well, I don't know how I could have done it, especially where I live."

-- Sandra Stadnik, a West Coast university

The rigid application of an expected student contribution from summer earnings can impact in a particularly adverse way on students who reside in economically

depressed areas such as large urban centers, where youth unemployment figures regularly soar far above the overall unemployment rate.

Recommendations

1. Congress should defeat measures that would reduce the percentage of the federal contributions under the College Work-Study program below the current 80 percent.

2. Whenever possible, on-campus student jobs should be considered a form of financial aid and awarded to students with demonstrated financial need. When job openings require specific skills, financial aid personnel should make an affirmative effort to locate and refer or place needy students.

3. Financial aid personnel should actively solicit information about job openings in all departments of the institution and publicize this information as widely as possible, but particularly to needy students.

4. All student employees should be provided with explicit job descriptions.

5. All work-study students on a given campus should receive the same hourly wage, no less than the federal minimum wage.

6. Work-study students should be allowed to form unions and to bargain collectively on wages, hours, and other terms and conditions of employment.

7. Financial aid personnel should use a portion of the administrative allowance to develop off-campus work-study opportunities.

8. Financial aid officers should not prohibit students from seeking additional off-campus employment if they wish to do so, nor reduce students' aid awards at the time employment is taken. However, students who do seek such employment should be specifically informed that their earnings may affect their award package for the following year.

9. Student contributions to the cost of education should be based on actual summer earnings, not hypothetical expected summer savings.

IV.

Special Problems

10. STUDENT BUDGETS

". . .To make up the cost for school, I had to sell personal belongings. I had to borrow money from friends, and I literally almost starved for three months, eating oatmeal and hot dogs. It's not much fun. And it doesn't add much to your academic abilities." -- James W. Phillips, a Midwestern university

Many of the students who testified before the CSS Student Committee experienced problems as a consequence of the way student budgets were constructed at their institutions. Specific complaints included, but were not limited to, the following.

- Many students believed that the standard budget at their institutions reflected unrealistic assessments of the cost of living.
- Many students continued to suffer the consequences of unmet need even after they received a financial aid award, because their families could not or would not contribute the amount that had been calculated as the expected parental contribution to educational costs.
- Many students felt that financial aid offices had not taken into account special problems, circumstances, or emergencies that raised their expenses above the standard student budget.

Student Budgets Do Not Reflect Realistic Living Costs

Many students believed that the standard student budget did not accurately reflect the costs of living in their particular communities. For some, that meant that they could not cover necessary medical or dental expenses.

"I haven't gone to the dentist. I haven't been to a dentist in [a long time]. When I went I ended up paying \$75 for one filling. I don't have money for that sort of expense. You just have to be careful that things like that don't come up."
-- Bonnie Strong, a Western university

For others, the gap between financial aid and overall educational and maintenance expenses meant that students sometimes had to do without needed academic supplies.

"Tuition for five classes was \$116; that's excluding the prices of the books, which amount to \$50.70. That leaves a total of \$106 per semester of the grant that they give you. Now with clothing and books and transportation and petty cash and what have you, that hardly leaves any money left for anything. Consequently, you'll be going back to the aid office. There's lack of funds for buying books; you go to the financial aids and ask for a loan to buy books. They say, 'Well, I'm sorry you're going to have to come back later because we have insufficient funds.' There are still students attending classes with me at the present time who are without books because of that."

-- Robert Gonzalez, a Southwestern junior college

Undoubtedly many financial aid offices have a more than difficult time trying to devise a standard budget that adequately covers the cost of living for students in varying circumstances. However, it appears that, at times, student budgets are used more as a tool for rationing limited funds than as an accurate indicator of living costs in a particular community or region. The simple fact that different state and federal student budgets can be applied to students in the same area suggests the former possibility.

"Yes, we had a state audit for the first time this past spring semester. What we were doing is, we would go with the federal budget. For instance, we showed a need of \$3,800 and the state budget would have showed a need of \$3,600. We were going to [use] the \$3,800 if the student had a federal program involved. They came back and told us, 'No, you overbudgeted on state funds.'"

-- Financial Aid Administrator, a Southwestern university

Parental Contribution

Several students reported that they had unmet financial need even after aid was awarded, simply because their families could not or would not contribute the

"expected parental contribution." Sometimes students felt that financial aid officers had simply refused to take into account special family circumstances that influenced parents' ability to pay the expected amount.

"My family had just gone through two business bankruptcies in the last two years and every single asset that we possibly could have was just completely destroyed. . . . The financial aid office didn't care. They said, 'Your parents are supposed to contribute this amount of money; if they don't do it, you'll have to find it from another source.'" -- Joel Goldberg, a West Coast university

Other students were financially handicapped simply because their families were not particularly supportive of their educational aspirations, and consequently would not contribute any support funds.

"My father wasn't into sending me to college at all, and he didn't come up with the money they said he was supposed to give me to go to school." -- Thomas Schaffer, a West Coast university

Special Circumstances

Finally, some students testified that their financial aid officers failed to take into account special circumstances and needs in calculating their financial need. For instance, several students argued that such items as payments on past debts or premiums on life insurance policies should be considered a legitimate living expense. Audrey Cubow's story amply illustrates this kind of problem.

"My financial aid officer has told me that I'm supposed to live on about \$250 per month, and I think that total is really very unrealistic. I knew that when I decided to return to school there are many sacrifices I would have to make, and I was prepared to because it is very important to me to have an education and to be financially independent. However, that is becoming harder and harder to do. There are several things that really bother me: (1) the lack of accessibility of the financial aid officer or the office itself for any information; (2) the lack of clarity of the eligibility requirements; (3) there is not consideration for past expenses -- in my case there are huge medical bills and car repairs; and (4) also there are no sensitivities as far as any problems that might exist, and in my case, I have a bilateral nerve deafness."

-- Audrey Cubow, a West Coast state university

Recommendations

1. Financial aid personnel should conduct an annual reevaluation of student budgets to assess accurately living expenses in the communities or region served by their institutions. Such an evaluation should take cost-of-living increases into account and include a survey of the student population to determine

what level of resources is required to maintain a modest but decent standard of living. Student budgets should also be reviewed annually by a panel of students at each institution, and its findings should be considered as part of the evaluation process.

2. Financial aid officers should not construct artificially low student budgets to either ration limited funds or decrease the aggregate unmet student financial need. If available financial resources cannot meet the financial needs of all students, the financial aid officers should make this clear to all students.

3. Financial aid personnel should construct student budgets to reflect ~~differences~~ in types of educational costs according to different programs within specific institutions.

4. Financial aid personnel should develop and conduct courses and workshops to assist those students who desire help with financial planning and budgeting. The College Scholarship Service should survey its member institutions on current programs and practices in this area, and use this and other information to prepare a booklet on counseling students in financial planning, budgeting, and related areas for distribution to its membership.

11. INDEPENDENT AND MARRIED STUDENTS

"As a person with her own household, I resent the fact, and find it humiliating, that I need to swear in front of a notary (and pay money besides) to verify that my parents are not supporting me or contributing money. Point of fact -- they're dead. I wrote that in capital letters on my authorization, and I still had to go to a notary to verify this."

-- Ester Kahn, a West Coast state university

Throughout the hearings, the committee heard repeated testimony about the problems experienced by married and independent students in obtaining financial assistance. Problems cited included, but were not limited to, the following.

- Federal and state guidelines for establishing independent status were a source of confusion and frustration for many students (and evidently for some aid officers). Frequently at odds with each other, the regulations in any case did not seem to reflect what many students saw as legal and social realities, nor did they adequately cover the broad range of circumstances in which students actually were (or perceived themselves to be) independent of parental support.
- Assumptions about dependence often failed to reflect significant cultural differences in the society at large and thus effectively discriminated against genuinely needy students.
- Many aid offices required students, regardless of their age, to produce parental affidavits of nonsupport and often denied applicants aid if their parents refused to present such documentation.
- The problems of married students who applied for financial aid were similar to those encountered by independent students.

Regulations Cause Confusion

In 1972 the twenty-sixth amendment to the United States Constitution gave 18-year-olds the right to vote, and since that time many states have passed laws lowering the age of majority to 18. These and other legislative initiatives have contributed to lowering the age at which a young person in this society is considered financially and legally independent of parents or guardians. Needless to say, these changes have caused upheavals for the traditional assumptions about expected parental support in financing a child's postsecondary education. The specter of thousands of 18-year-olds declaring themselves independent, and then applying for financial aid with essentially no parental or personal resources, has not become a reality. However, this possibility -- and, more specifically, the fear of such a possibility -- has generated a series of federal and state regulations on independence that have effectively prevented some truly in-

dependent students from fully participating in financial aid programs.

This problem has come to the surface of the debate about financing postsecondary students. A close scrutiny of the financing question as it pertains to older and independent students again makes clear that a policy decision on the benefits of postsecondary education has not yet been made. That is, postsecondary education is seen simultaneously as both a public benefit and a private or "user" benefit. While it can be reasonably argued that there are indeed both public and private benefits, it is difficult to "have it both ways" in terms of developing a logically consistent financing scheme. Today virtually all postsecondary institutions are financed by a combination of public and private funds, and this situation has caused problems at certain junctures within postsecondary education. More important, these problems raise issues of equity within our educational system.

For example, how can we equitably compare these two hypothetical students who come from families with the same income, assets, and financial responsibilities (i.e., both get the same need analysis result on their graduation from high school)? Student "X" takes a year off to travel and perhaps gain some work experience, but makes just enough money to merely survive and accumulates no savings. The following year, he applies for and receives financial aid as an independent student with essentially zero student resources. Student "Y" graduates from high school and decides to go directly on to a college or university. She applies for financial aid as a dependent student and is turned down because her father's income is large enough that the expected parental contribution equals the cost of education. To suggest that these two families, and these two students, have been treated equitably is absurd. Family "Y" has been assessed a much greater tax for postsecondary education, both in terms of this education as a public benefit (their income tax goes to support student "X" via federal financial aid programs), and in terms of education as a private benefit (they must pay a parental contribution for their child's education). This is the type of equity problem that results from a mixed (if not badly confused) financing scheme, and it is difficult to interpret these conditions as advancing educational opportunity or choice for all students.

Nonetheless, it is important to emphasize that the current federal and state guidelines do not adequately cover the broad range of circumstances in which students actually are (or perceive themselves to be) independent of par-

ental support. The federal guidelines for establishing independence ¹ seem ludicrous to many students because they are so difficult to enforce. Except for the regulation on income tax deduction, the other requirements are apparently broken as often as they are adhered to, and thus seem nonsensical to many students. Additionally, state and federal guidelines are often at odds with each other. In Illinois, for instance, it takes virtually two years of living away from home for a student to establish independent status, as opposed to the one-year requirement under federal guidelines.

In any case, the requirements strike many students as failing to recognize either legal and social realities or the variety of personal and familial situations in which students find themselves.

"I feel that . . . I've been out here for two years, my mother hasn't sent me nothing or done anything for me. I was staying with my aunt, working and paying rent there, and I don't see what that has to do with my mother taking care of me when I'm out here. I mean, if she was going to take care of me and send me to school, I would have stayed in New Jersey."

-- Virgil Hale, a West Coast college

"I'm financially independent. I'm 27 years old. I haven't asked my father what kind of salary he has and since he is now retired, I know that he has no salary. It was really ridiculous. I was forced to become kind of subservient again, and the confusion lies in that there is nothing put out in a booklet form or nothing that explains what the eligibility requirements must be, if there is a certain age, etc."

-- Audrey Cubow, a West Coast state university

"Talking with other students and through my own personal experience, I have found that there is a fine line between what the state feels parents can afford and how much parents can afford. There is even a finer line in deciding how long students should be considered tax dependents of their parents. Many, as myself, have become discouraged by this situation. Others, in their desperation, often take drastic measures. Let me tell you of one case, which I do not condone, but I feel it exemplifies the frustration of students making it on their own who are labeled as dependent by the state. This particular student told me that she had figuratively killed her parents out of desperation. She explained that her parents could not afford to assist her and because she had been living away from home that last year, she listed her parents as deceased in filling out her forms for financial assistance. I think this indicates the seriousness of the problem when a needy student is forced to perjure herself in order to continue her education."

-- Emily Drabanski, a Midwestern state university

1. The student cannot have been claimed by parents on the previous year's income tax return, received more than \$600 from the family, or lived for more than 14 consecutive days at home.

"This brings up the last group of questions, which I guess are philosophical questions of why it is assumed that parents should be the prime support of a student for college, especially after they are considered by the law to be adults. Even after 21, you must have your parents' signature to become independent, you know, and 21 isn't the age to become an adult any more. But still, even after that, you must have your parents' signature to become independent, or you must be able to show that you earned over \$1,800 for two years prior to that."

-- Bill Ervin, a Western state university

Assumptions about Dependence

While the legal requirements for establishing independence pose problems for some students, assumptions about dependence cause problems for others. The assumption that children live with and are supported by their parents may be a legitimate assumption for the white, middle-class population, but it is not necessarily the rule for some minority populations in the country. For instance, the committee learned in Texas that it is not uncommon for members of one Chicano family to live with and be supported by relatives or family friends. For students who have grown up in this environment, the whole notion of dependence on parental income may be an alien concept. Almost without exception, such persons are in need of financial aid, but because of its insensitivity to cultural differences, the system is structured in a way that is incomprehensible and thus, at times, inaccessible to them.

"I'm a sophomore in college. I started in the summer of '74. When I first started college, I wasn't eligible for financial aid because I didn't fill out that Parents' Assessment Form because my parents' income was below \$2,000, and I hadn't ever lived with them before. So, I didn't find it necessary to fill that part out, and I was refused financial aid."

-- Mary Jones, a Southwestern college

Requirements of Evidence of Parental Nonsupport

Many aid offices require applicants, regardless of their age, to produce parental affidavits of nonsupport or similar documentation. Especially to older students and heads of households, such requirements seem both ridiculous and insulting.

"I was 38 years old and had four children of my own, and I had to go to my parents and have them fill out the customary financial aid statement for the parents. At the time, my oldest son was going to college. He had to come to me. I suppose that if my mother had decided to go back to college she would have had to go out to California to my 95-year-old grandmother, which is absurd."

-- Jane Milner, a Southwestern state university

Additional problems may result if students simply cannot persuade their parents to provide such documentation; many witnesses testified that their inability to produce such evidence of parental nonsupport resulted in a denial of badly needed financial aid.

"I can't see why college students who are 21 years old plus . . . should have their forms sent home to their parents for their income. Well, I sent it home, and my parents decided that they did not feel it was any of the government's business how much money they were making. Because of this they did not fill it in. And of course I was turned down for financial aid."

-- Gene Calloway, a Western state college

"Now there are a lot of parents that, either because of the name 'affidavit of nonsupport' or something, just will not sign this for their kids. The parents won't sign it, so the student may be totally financially independent, but he cannot receive financial aid."

-- Bill Ervin, a Western state university

"They wanted my parents to fill out a form or something. I haven't been living at home since I was 17 years old. My dad says, 'You're kidding -- when you left that was it, and I ain't filling this out.' And they wanted my dad to sign a form that said he refused to sign that form, and he said, 'I refuse to sign that.' So they tried to call him on the phone and he hung up on them."

-- Robert Bullock, a West Coast college

"I'll start off by saying that I got my financial aid check for winter quarter last Thursday. The holdup was due to the fact that I had to produce my father's income tax returns, and my father isn't into releasing his income tax returns or into my going to college at all."

-- John Bergere, a West Coast university

Problems of Married Students

Marriage often causes problems for financial aid applicants and recipients similar to those experienced by independent students. Usually these problems center around the assumption that most financial aid offices make in considering a spouse's income as an available resource for meeting part of a student's educational costs. Some of the testimony we heard suggests that certain forms of financial aid (such as work aid) may be more difficult for married students to obtain.

"When you get married, you lose financial aid if your husband's income is above a certain level. It's also more difficult to get work-study grants if you are married. My husband's income is not mine. I don't feel it is fair that marriage connotes increased income."

-- Sue Steward, a Western state university

Some students believed that the system was essentially "stacked" against married students and felt that they were being subtly encouraged to lie about their marital status.

"I was just applying for myself, but because he would get this much money he would be covering me too. Anyway, I asked the guy about five times to explain this to me because I didn't understand this logic. He said there is a blanket policy usually where they put married students together, it's beneficial -- because they get more aid than they would otherwise. But in certain cases, it's detrimental, and I'm one of these."

Panel Member: "Do you feel it would be cheaper for you, or more beneficial to you, not to be married?"

Student: "Positively. They encourage you to lie. I should have been smart enough not to tell them I got married."

-- Leslie Hunna, a West Coast university

Several students expressed particular objection to requirements that their spouses cosign educational loan applications. This posed special problems for those students whose husbands or wives were opposed to their educational pursuits.

"The most important remembrance I have of my early application for a federally insured loan is of being required to have my husband's signature for me to get a loan to go to school. I recall pleading in vain as to why I needed my husband's signature since I was the one taking out the loan. Does a husband need a wife's signature to take out a loan? The problem was not only that -- I wanted it under my name as I felt it was my responsibility. After the first \$1,000 loan, my husband refused to sign for another loan. That meant that I would have no money to go to school as he would refuse to give me any household money to do so."

-- Ester Kahn, a West Coast state university

The type of situation illustrated by the foregoing testimony is not uncommon and has particular implications for women students, many of whom are involuntarily rendered "independent" by virtue of their husband's and/or parents' lack of support for their educational aspirations.

Finally, the committee took some testimony that suggests that financial aid officers themselves often have difficulty in determining financial need for married students, simply because the normal guidelines are so confusing in the case of married and independent students. For some students, such confusion in the financial aid office may result in tentative initial commitments which cannot be honored after enrollment.

"I was married, had three children, and I told them what my husband's salary was, and what our situation was. He wrote a lot of little figures down and he told me that he could pretty much promise \$3,500 for that first year in aid. It would not be all in scholarships, but he told me that he could pretty much promise me that. So, that sounded pretty good to me. I think that that was in October, the year preceding when I was going to start school. I went back and this school did accept me and I accepted them, partly on the basis of that good financial aid. When it came to be time to start school, I wrote him a letter and I sent in the information which was the information I had told him at the end of the year, how much my husband earned, how many dependents there were in my family. He wrote back a letter saying that he was sorry, but my husband's income precluded my getting any financial aid."

-- Diana Shaktman, a Southwestern university

And as might be expected, particularly tricky problems can result from changes in marital status during the period that a student is enrolled in a program or institution. Marriage, separation, and divorce can all influence a student's financial situation (and financial need) dramatically, and unless adjustments in aid packages are made at the proper time, serious problems can and do result.

Recommendations

1. Financial aid officers should accept a student's signed statement of independence from parental support without forcing parents to sign an affidavit of nonsupport.
2. The federal government should drop the two-week limitation on living at home and the \$600 parental support limitation for students who wish to qualify as independent under federal aid programs. The only limitation should be that parents may not claim as an income tax deduction students who have declared themselves independent and contributed at least 51 percent of the cost of their own maintenance.
3. The states and the federal government should arrive at a common set of guidelines for establishing independent status.
4. While a spouse's income and assets should ideally be considered resources in calculating a student's expected contribution and financial need, financial aid officers should be sensitive to the needs and circumstances of those students who are not able to draw on their spouses' incomes for educational purposes.
5. Financial aid officers and other program managers should not require students who have achieved the age of majority to produce a spouse's cosignature on educational loan applications.
6. Student financial aid officers should not discriminate against independent or married students in awarding financial aid.

Summary and Recommendations

12. STATEMENT OF THE CSS STUDENT COMMITTEE

In the preceding chapters, we sketched some of the many specific problems that students have encountered in learning about, applying for, and obtaining financial aid. To redress some of these problems, we have proposed a number of recommendations, which appear as a summary list for easy reference at the conclusion of the report. Although this summary list comprises the substance of our formal recommendations, it does not encompass the entire body of our findings and recommendations, nor does it fully characterize the nature and scope of the problems that students experience with the need-based student aid system. In large part, the list of formal recommendations focuses on technical alternatives and improvements in the operation of the student financial aid system. Proposals for uniform application deadlines, a common application form, student appeals procedures, nationally coordinated information systems, and the other improvements require technical changes in the operating practices and procedures of financial aid programs. We hope to see such changes effected in the near future.

However, to expect that these and other technical adjustments will resolve all the problems that afflict students is both incorrect and naive. If they be-

come policy, our recommendations will certainly go far in assisting students through the maze of application forms, deadlines, eligibility criteria, and other program requirements which confuse so many applicants. Yet, even if all the proposals we suggested became policy tomorrow, many of the real financial obstacles for students and prospective students would remain fundamentally unchanged. This is true because a paradox exists in the design of the need-based financial aid system. The paradox is that while, on the one hand, there exists a commitment to helping needy students, on the other, no government agency or private group can back up this claim with a guarantee. For students this translates into a "maybe," not a "yes." No matter how efficiently the need-based financial aid system is administered, the nature of the system will continue to pose problems for students.

It seems clear that neither the federal government nor any state government will guarantee students the financial means to successfully complete a postsecondary education. Simply put, other programs take priority. Given this condition, coupled with expanding unmet student financial need, some mechanism must deal with the increasing demand for limited resources. That mechanism is the need-based financial aid system. From this perspective, student aid should be viewed as a tool for rationing scarce financial resources, not as a promise that students will not be denied access to postsecondary education because of a lack of funds. That rationing process consists of a number of hurdles, which only the most determined and adept students or prospective students can overcome. In this sense, financial aid works to limit the number of students who can obtain the financial support necessary to complete a college degree.

It is absurd to discuss student financial aid meaningfully, or characterize the "problems" students experience, without reference to the larger questions of financing postsecondary institutions. Consequently, we feel compelled to offer a thumbnail sketch of a student perspective on financial aid as part of the financing debate. The overall financial interaction between institutions and students is obscured from the sight of most students. Yet the problems students expressed in the hearings, taken together, form a constellation that can be understood as a pattern. Articulating this student perspective is one of our objectives.

The decision to equalize educational opportunity through a "high-tuition, high-aid" strategy, rather than through a "low-tuition" strategy is predicated on numerous myths. These myths have been popularized by those who would advance this current trend toward a high-tuition, high-aid strategy, although not always

to the benefit of students. We cannot offer definitive solutions to these broad divisions of opinion within the financing debate, but we can articulate a student perspective on some of the more prevalent myths.

The Myth of Choice

To begin, the vast majority of postsecondary students attend large, state-supported institutions. For many of these students, "choice" (as it has been used in the higher education debate) is virtually nonexistent. Many attend state-supported institutions not because they particularly chose them over other alternatives, but because they felt financially unable to "make it" elsewhere. Obviously this is not always the case, but for most of these students, the financial uncertainty that surrounds attendance at more expensive independent colleges precludes even entering them on the range of alternatives. In fact, the importance of a choice within the postsecondary financing debate has taken on a weight it does not deserve. That is, in an educational system that encompasses so many who are barely surviving financially (and others who are plunging deeply into debt), the question of choice within a pluralist public/private system fades in comparison to questions of equity. Educational preparation at the secondary level is often class-related. If this is the case, and if private institutions remain academically selective, choice clearly becomes more a prerogative for the well-to-do than for others. In other words, offering "choice" to the educationally deprived is a cruel joke.¹ We are not in any sense opposed to student "choice." We do have questions about its proper priority within the financing debate.

As long as private schools remain within the scope of public support but are not required to select equally from all socioeconomic groups, they will remain elite institutions. For reasons of financial survival, such institutions will be required to take disproportionately high percentages of upper-class students, while at the same time appearing progressive by taking a comparatively high number of minority and low-income students. Only by taking both can they appear progressive, yet remain essentially elitist.

1. Perhaps the Supreme Court in the Rodriguez decision of 1973 affected the future of student "choice" in postsecondary institutions more than any other single act by the federal government. In Rodriguez the court held that the equalization of all school districts' per-pupil expenditures within a state was not a matter of a federal right. Had Rodriguez been decided the other way, equal primary and secondary preparation for postsecondary education would have been greatly advanced.

The Myth of Perfect Information

"Choice" is also predicated on another myth within the financing debate -- the myth of perfect information. The current pluralist argument follows these lines, and posits that students will have "opportunity" through financial aid programs and "choice" according to their ability. Unfortunately, this argument assumes that all participants enjoy equal information about financing possibilities and educational alternatives. This goal of equal information remains a distant objective, yet the high-tuition, high-aid strategy somehow assumes it now, even though the lack of adequate information (to say nothing of equal information) is almost universally recognized.

The Myth of Equal Opportunity

If belief in the myths of choice and perfect information is required to accept the high-financial-aid (as opposed to the low-tuition) strategy, there is one final myth that has long been an integral part of the high-aid, high-tuition system: the myth of equal opportunity. Financial aid programs and financial need analysis services are presumably justified by the fact that they treat all persons equally. To treat persons from radically different circumstances "equally" (for purposes of financial aid distribution or anything else) is not to achieve "equity." Many individuals who have little or no experience with the forms and procedures are intimidated by them, if not excluded from this system altogether. They do not (and often cannot) speak the "language" of student financial aid.

Throughout the seven hearings, we saw again and again examples of class differences and how they determined success in learning about, applying for, and obtaining financial aid. The poor, the educationally disadvantaged, the racial and ethnic minorities that have been traditionally denied both educational access and choice are presumed to be the beneficiaries of increased reliance on the high-tuition, high-aid strategy. However, we question the commitment to educational equality on the part of policymakers who would rely solely on this strategy. In theory, the need analysis procedure works, but in fact, the difficulties that it is designed to redress remain. That is, the procedure (de jure) is equitable, but the result (de facto) is not equity for students. The commitment to the need analysis and the high-tuition, high-aid strategy is a commitment to a means, not an end. That is, a commitment to this scheme of financing is not, and should not be interpreted as, a commitment to equal educational opportunity. In the past, such an interpretation has too often been assumed, be-

cause of the myths of choice, perfect information, and equal educational opportunity.

Conclusion

In the end, the high-tuition, high-aid strategy and need analysis scheme is rational and understandable to those who need it the least -- the white middle and upper classes. For those who need assistance the most in meeting the costs of education -- the poor and educationally deprived -- this scheme appears confusing, irrational, unpredictable, and often hostile. The standardized procedure is designed to treat all equally. However, the weight of the bureaucracy falls on those who must try to make the system "work" for them -- the poor. The countless forms, the annual need analysis procedures, the trips to the financial aid office, and the hassles with private lenders are all burdens that fall most heavily on the poor and the lower-middle class.

After reviewing hundreds of different individual student cases, the CSS Student Committee concludes that on a comparative basis the financial aid system "costs" are higher for educationally and economically disadvantaged persons. The bureaucratic hurdles are placed before those who have the least experience in dealing with such barriers to financial aid. In this sense, the financial aid system works to prevent the traditional nonattenders from participating in post-secondary education.

"They ought to simplify it. It seems so complicated. I don't know if it really is, but it appears to be that way and the bureaucracy makes it more so. It puts you off -- you don't really want to get involved in it -- when you've been a couple times [to the office] you get tired of it."

-- Leslie Hunna, a West Coast university

13. SUMMARY LIST OF RECOMMENDATIONS

Financial Aid Information

1. The federal government should require that 5 percent of all appropriated BEOG funds and other monies appropriated for federal aid programs be specifically targeted for information dissemination about those programs.
2. The federal government should provide specific funds in the form of an institutional administrative allowance associated with institutionally administered financial aid programs to be spent on information systems.
3. The federal government should create and sponsor a National Student Aid Data Bank, which would provide to applying students a printout of all sources of financial aid, at no charge to the applicants. Specifically, the committee recommends that Congress enact the Biaggi Bill, H.R. 6933, which would establish such a program, and appropriate money to implement a National Student Aid Data Bank. Information issued by such a Data Bank should be "neutral" and not designed to artificially deflate demand. Its operations and functions should neither be controlled nor sponsored by the Office of Education or the Office of Management and Budget, but should be overseen by and responsible to Congress alone.
4. State governments should concentrate on disseminating information to potential students. Specifically, the committee recommends that all states follow the lead of Minnesota in directly informing eligible populations about postsecondary educational opportunities and all potential sources of financial aid -- federal, state, institutional, private, and so forth. [The state of Minnesota mails information directly to all its high school students about postsecondary programs and financial aid available for defraying the costs of education.]
5. All state-sponsored and -funded financial aid programs should include a specified information component which ties a percentage of appropriated monies to information programs. [For instance, in California \$6 must be appropriated for information systems for each award of a California State Scholarship.]
6. All states should communicate by mail directly with those students who have applied for the federal BEOG award and inform them of state programs for which they may be eligible.
7. The College Entrance Examination Board and College Scholarship Service should transmit to students who undergo the need analysis procedures a copy of the results of the computation. Specifically, students should be advised of the

expected parental contribution to the cost of education.

8. The College Entrance Examination Board and College Scholarship Service should mail information about student financial aid to all persons who take the PSAT or SAT tests.

9. The College Scholarship Service should publish and distribute in Spanish-speaking communities a Spanish-language version of Meeting College Costs, the CSS pamphlet on financial aid.

10. The Official College Entrance Examination Board Guide to Financial Aid for Students and Parents should be made available free upon request to potential students. The current \$4.95 price is prohibitive for many prospective students and their families.

11. The College Entrance Examination Board and the College Scholarship Service should review all publications, such as Meeting College Costs, and where necessary, revise such materials to place greater emphasis on the availability and entitlement features of BEOGs.

12. All colleges and universities participating in federal financial aid programs should use part of the federal administrative allowances for information dissemination on their campus and among prospective students.

13. All student financial aid offices should institute work-study jobs for students that are designed to close the information gap. Such student employees should be hired as freshmen with the expectation that, by their sophomore year, they would become paraprofessional peer counselors in the area of financial aid. The committee suggests that an appropriate ratio would be one peer counselor to every 500 students on campus.

14. Colleges and universities should publish in their catalogs and other promotional materials the percentages of their student populations participating in various financial aid programs. They should also publish a list of all federal, state, institutional, and other forms of student financial aid available to students attending their respective institutions.

Financial Aid Forms

1. All financial aid programs -- federal, state, institutional, and local -- should institute a common form such as the one designed by the Keppel Commission.

2. The federal government should adopt whatever common application form is ultimately developed cooperatively for use in determining students' eligibility for Basic Educational Opportunity Grants.

3. The College Scholarship Service should actively encourage its member

institutions to use the common form.

4. States should require institutions to adopt the common form as a condition of eligibility to receive state funds.

5. All financial aid programs should adopt a common deadline for aid applications. Additionally, the committee encourages all such programs to move toward a rolling application policy.

6. The College Scholarship Service should minimize the costs to students of implementing the CSS's Financial Aid Form (FAF) experimentally in states in which students must file both the FAF and the Parents' Confidential Statement (PSC) because they apply to in- and out-of-state institutions. When a student must fill out both forms, the charge for filing the second form should be the same as requesting an additional transcript of the first. That is, the total costs to the student for filing both forms should be \$6.50 rather than \$8, with the CSS absorbing the difference during the transitional phase.

7. Financial aid offices should arrange for training of all personnel in the use of forms so that staff members can assist students and families in the proper completion and filing of applications.

8. Financial aid offices should sponsor and conduct meetings and workshops to help individuals who want assistance in completing financial aid forms.

Financial Aid Counseling

1. The Office of Education should include a student component in the Basic Educational Opportunity Grant (BEOG) program's training contract. The federal government should actively seek, and provide support for, direct student involvement in information dissemination about the BEOGs.

2. The College Entrance Examination Board should actively encourage its postsecondary members to include financial aid counseling and administration components in their curriculums.

3. Financial aid offices should hire students as peer counselors at the ratio of 1 student counselor for every 500 students on campus. These employees should receive extensive job training in the field of financial aid.

4. Before any student is given a loan, the multiple loan problem should be discussed at length, with emphasis on monthly repayment obligations and expected income. At the same time, the institution's placement record for graduates should be discussed in reference to future job possibilities.

5. Forms of public assistance, food stamps, and other means of meeting the costs of education should be automatically covered by the counseling services provided through financial aid offices.

Financial Aid Offices

1. Financial aid offices should institute a program for training all personnel in the theory and administration of federal and state financial aid programs.
2. A student-run and student-controlled review panel should be established to hear student appeals of financial aid decisions related to levels of funding and packaging. Panel members should be compensated for their time under work-study programs.
3. No student's financial aid package should be changed from one year to the next without due notice and without recourse to an appeals procedure.
4. Financial aid officers should make sure that recruitment and admissions counselors are not making financial aid commitments to potential students that the financial aid office cannot fulfill.
5. Financial aid offices should not "bait" students with high grant and low loan aid, only to "switch" later to high loan and low grant aid.
6. A student review panel should be asked to review periodically all practices and procedures of the financial aid office and staff to insure that they meet students' needs.
7. Institutions should use the administrative allowance under federal financial aid programs both to support information dissemination efforts and to upgrade financial aid offices and staff, including, where necessary, the employment of a full-time financial aid officer.
8. Institutions should make affirmative efforts to improve the wages, hours, and working conditions of financial aid personnel.
9. Institutions should not levy interest charges or late fees against students whose payments are late because of delayed financial aid awards.
10. Professional organizations of financial aid administrators should develop and articulate minimum standards of performance within the profession. Such organizations should explore the implications of licensure for aid counselors and accreditation for aid officers.
11. Professional organizations of financial aid administrators should formally recognize the role and the rights of students in the governance of the student financial aid system. Such recognition should acknowledge the importance of adequate compensation and support services for students who participate in those governance activities.
12. The College Scholarship Service should periodically survey its membership to determine the extent to which its guidelines for a "model financial aid

office" are both applicable and applied, and should report such findings to the member institutions.

Grant Aid

1. Financial aid offices or institutions should not disburse Basic Educational Opportunity Grant (BEOG) checks without a clear and direct notification to recipients that BEOG funds are not institutionally controlled and may be used at the institution of the student's choice.

2. The federal government should advise BEOG applicants of the range of possible awards they could expect to receive attending various types of institutions. Currently students know only their eligibility index number, which does not indicate this type of information. Such information could be presented in this form.

Eligibility Index Number = X

Average State University Cost [In Applicant's State] = Y

Average Private College Cost [In Applicant's State] = Z

Estimated BEOG Award at State University = _____.

Estimated BEOG Award at Private College = _____.

3. Financial aid offices should make sure that grant award checks are available to students to coincide with payment deadlines for tuition, room and board, books and supplies, etc. When award checks are unavoidably delayed, aid officers should arrange for the deferral of required institutional payments (e.g., tuition and fees) and waiver of late fees or other penalties.

4. The states should institute "mini-grant" programs, which would make small awards in the \$100-\$200 range to students who need comparatively small awards to meet their educational costs.

Loan Aid

1. Congress should maintain the National Direct Student Loan (NDSL) program and not rely solely on the Guaranteed Student Loan (GSL) program, since experience under the latter suggests that many minority, low-income, and women students encounter discrimination in obtaining educational loans from private lending institutions.

2. Federal and state loan programs should institute a 12-month (rather than a 9-month) grace period to facilitate "stopping out" by loan recipients.

3. Federal and state loan program administrators should explore methods of dealing with the multiple-loan problem, such as consolidation of loans to pro-

vide for lower monthly repayment rates and common schedules.

4. Institutions should develop low- or no-interest emergency student loan funds.

5. Financial aid officers should not pressure students to take a loan to finance their education. "Cooperative education" options (alternating periods of employment and enrollment) should be presented as an alternative.

6. The percentage of loan aid in a student's financial aid package should not be altered without due notice to the recipient, who should also be given the opportunity to appeal any change in the financial aid package.

7. Financial personnel should discuss repayment schedules and obligations, as well as future income for loan recipients.

Work Aid

1. Congress should defeat measures that would reduce the percentage of the federal contributions under the College Work-Study program below the current 80 percent.

2. Whenever possible, on-campus student jobs should be considered a form of financial aid and awarded to students with demonstrated financial aid need. When job openings require specific skills, financial aid personnel should make an affirmative effort to locate and refer or place needy students.

3. Financial aid personnel should actively solicit information about job openings in all departments of the institution and publicize this information as widely as possible, but particularly to needy students.

4. All student employees should be provided with explicit job descriptions.

5. All work-study students on a given campus should receive the same hourly wage, no less than the federal minimum wage.

6. Work-study students should be allowed to form unions and to bargain collectively on wages, hours, and other terms and conditions of employment.

7. Financial aid personnel should use a portion of the administrative allowance to develop off-campus work-study opportunities.

8. Financial aid officers should not prohibit students from seeking additional off-campus employment if they wish to do so, nor reduce students' aid award at the time employment is taken. However, students who do seek such employment should be specifically informed that their earnings may affect their award package for the following year.

9. Student contributions to the cost of education should be based on actual summer earnings, not hypothetical expected summer savings.

Student Budgets

1. Financial aid personnel should conduct an annual reevaluation of student budgets to assess accurately living expenses in the communities or region served by their institutions. Such an evaluation should take cost-of-living increases into account and include a survey of the student population to determine what level of resources is required to maintain a modest but decent standard of living. Student budgets should also be reviewed annually by a panel of students at each institution, and its findings should be considered as part of the evaluation process.

2. Financial aid officers should not construct artificially low student budgets to either ration limited funds or decrease the aggregate unmet student financial need. If available financial resources cannot meet the financial needs of all students, the financial aid officers should make this clear to all students.

3. Financial aid personnel should construct student budgets to reflect differences in types of educational costs according to different programs within specific institutions.

4. Financial aid personnel should develop and conduct courses and workshops to assist those students who desire help with financial planning and budgeting. The College Scholarship Service should survey its member institutions on current programs and practices in this area, and use this and other information to prepare a booklet on counseling students in financial planning, budgeting, and related areas for distribution to its membership.

Independent and Married Students

1. Financial aid officers should accept a student's signed statement of independence from parental support without forcing parents to sign an affidavit of nonsupport.

2. The federal government should drop the two-week limitation on living at home and the \$600 parental support limitation for students who wish to qualify as independent under federal aid programs. The only limitation should be that parents may not claim as an income tax deduction students who have declared themselves independent and contributed at least 51 percent of their own maintenance.

3. The states and the federal government should arrive at a common set of guidelines for establishing independent status.

4. While a spouse's income and assets should ideally be considered resources in calculating a student's expected contribution and financial need, finan-

cial aid officers should be sensitive to the needs and circumstances of those students who are not able to draw on their spouses' incomes for educational purposes.

5. Financial aid officers and other program managers should not require students who have achieved the age of majority to produce a spouse's cosignature on educational loan applications.

6. Student financial aid officers should not discriminate against independent or married students in awarding financial aid.

Appendix

INSTITUTIONS AT WHICH CSS STUDENT COMMITTEE HELD HEARINGS

California State University at Dominguez Hills
California State University at Fullerton
California State University at Northridge
California State University at San Diego
College of the Mainland, Texas
Colorado State University
Community College of Denver, Colorado
Eastern Illinois University
El Camino College, California
Galveston College, Texas
Johnston College, California
Laredo Junior College, Texas
Lewis and Clark Community College, Illinois
Metropolitan State College, Colorado
Northridge College, California
North Texas State University
Saint Mary's University, Texas

San Francisco State University, California
Sangamon State University, Illinois
Southern Colorado State College
Southern Illinois University, Carbondale
Southern Illinois University, Edwardsville
Trinity University, Texas
University of California at Los Angeles
University of California at Santa Cruz
University of Colorado, Boulder
University of Colorado at Colorado Springs
University of Illinois, Urbana
University of Northern Colorado
University of Texas at Dallas
University of Texas Medical School at San Antonio
Western Illinois University

CSS Student Advisory Committee

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