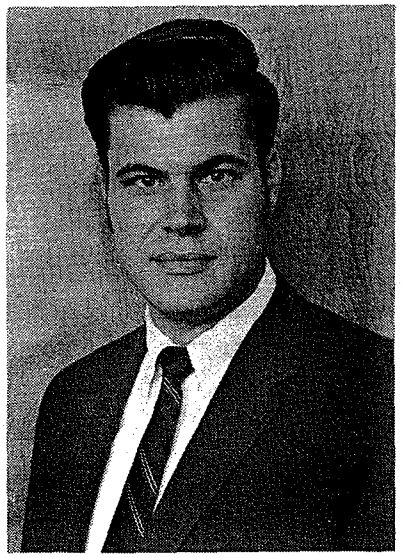
MAKING THE BASIC GRANT PROGRAM MORE EFFECTIVE

Robert N. Jones

The small percentage of freshmen who applied for the Basic Educational Opportunity Grant (B.E.O.G.) in the 1973-74 school year caused alarm across the nation. Even though the deadline for applying was extended, there was a belief that the program would fall short of its expected goal. Meetings were called, hearings held, and letters written in an effort to determine why students were not applying. Many theories were advanced by various individuals but, for the most part, they have been feelings rather than documented facts. However, at least two surveys have been conducted by financial aid officers; one by Edmond Hayes at the University of Wisconsin and the other by Mildred McAuley at three community colleges in California.



Robert Jones was recently appointed Director of Financial Aid at California State College in Domingues Hills. Prior to his arrival on the West Coast, he served as Director of Financial Aid at Broome Community College in Binghamton, New York.

Background

In an effort to notify students of the availability of the Basic Educational Opportunity Grants, Edmond Hayes sent an application to every entering freshman at the University of Wisconsin last fall. In October, he conducted a survey which revealed that 23 percent of the students who received the application failed to complete the form. The two most frequently stated reasons for not filing for a Basic Educational Grant were: the students didn't think they would be eligible, and they already had enough institutional aid for the 1973-74 academic year. Hayes' study also revealed that 41% of those submitting an application were rejected. This is fairly consistent with earlier reports by the U.S. Office of Education which indicated that of the 130,000 B.E.O.G. applications processed, 50% of the applicants were determined to be ineligible.

In McAuley's testimony before a special subcommittee on education sponsored by the House of Representatives in December 1973, some interesting facts emerged about the students at three community colleges in California. The student body backgrounds represented in her survey were distinctly different: one was an inner city community college in one of the largest cities in California; one was a suburban community college with a Mexican-American enrollment of 14%; and the third community college was located in a district where the student body was 94% white and where a large number of the students' parents either worked in the aerospace industry or were civilian employees at a naval station. All three community colleges had either given the freshman an application or had mailed an application to the student's home. Forty-two percent of those students responding to the survey claimed they had neither heard of the program nor received an application. Of those who indicated they had received the application, 41% did not apply. Of this number, 27% felt they would not meet the requirements. The California study closely paralleled Hayes' findings on the number of students who received applications but failed to complete them. Both of these studies were conducted in the fall when many freshmen were adjusting to college life and, perhaps for some, just discovering that there was such a thing as financial aid. In an attempt to determine if the results of McAuley's survey would be the same as the year progressed and to ascertain if they would be similar on the East Coast, a survey was conducted at Broome Community College.

Broome Community College and the Student Body

Broome Community College is located in Binghamton, New York. It is an upstate community college with approximately 80% of the student body coming from the local area. A large computer firm, a shoe manufacturing company, and a number of small electronics firms are the main industries. Although the college does not have a special admissions program, a local Talent Search organization helps prospective students in Binghamton complete the necessary admission and financial aid forms.

The Survey

The survey sheet used in the questionnaire was patterned after the one used in the California study. To obtain a maximum return on the survey, each academic department at the college was asked to distribute them to their freshman students. Students were asked to complete the questionnaire to the best of their ability, but not to identify themselves on the form. The survey sheets were completed and returned by 1121 freshmen.

Survey Results

The survey was divided into three sections; the first dealt with student knowledge of the program. Although the applications for the B.E.O.G. were published late in the spring, several high schools in the area mailed an application with a letter of explanation to their 1973 high school graduates. In addition, the Student Financial Aid Office had two articles in the school newspaper and a number of posters alerting students to the new program were placed around the college. In August the Financial Aid Office also mailed a flyer to every freshman. A discussion of the new Basic Educational Grants was also included during orientation week. Despite these efforts, 55% of those completing the survey stated they had never heard of the B.E.O.G.

Why Students Did Not Apply

Twenty-two percent of those who did not submit the application felt they would not meet the criteria for eligibility. Approximately a third of the students indicated they had previously taken a course, thus making them ineligible. Many students at Broome begin their course work on a part-time basis and, thus, the percentage of students who were ineligible may have been higher than that from a student body of a four year institution.

The most common reason for not completing the B.E.O.G. application was the insignificant amount of aid that could be received from the B.E.O.G. program during the 1973-74 year and the unwillingness of many parents to submit a number of applications for financial assistance. Therefore, many students resorted to bank loans to supplement their resources.

In response to the question, "Who made the decision not to apply?", a majority of the students surveyed indicated they were responsible. Both parents and students made the decision to apply in 20% of the cases, and only in 14% of the sample was there an indication that the parents alone made the decision. The statement at the end of the B.E.O.G. application which indicates the possibility of a fine or imprisonment for providing falsified information and the unwillingness of the parents to send confidential information to the Federal Government or educational institution accounted for less than 1% of those parents who made the decision not to apply. Six percent of parents who refused to complete the form did so because they considered it a type of public assistance. The percentage was similar to the California study in which 7% revealed that their parents did not wish to complete the application because of its connotation with public assistance.

Why Broome Students were Ineligible for B.E.O.G.

Many financial aid officers have perceived inequities in the B.E.O.G. system: e.g. the six child, $15,000 family whose daughter received a grant compared to the son of a 67 year old widow with a total income of $2600 who was denied a Basic Educational Opportunity Grant because part of the $2600 was intended for Social Security educational benefits. At Broome usually a combination of factors made students ineligible. In the case of a dependent student, often the parents' income was too high, or the family had a considerable amount of assets in their home equity. Social Security and Veterans Benefits also made many students ineligible. Students receiving Veterans Benefits and Social Security Benefits often became confused as to why they were being rejected for the B.E.O.G. while receiving the maximum state scholarship. Since New York State Scholarships are based only on taxable income, and both Social Security and Veterans Benefits are tax exempt, the student would receive the maximum state award and yet be ineligible for the B.E.O.G.

Independent students appeared to show the most variation between what the B.E.O.G. program said they were eligible for and what the institution gave them in institutional financial aid. At Broome, 63% of all students rejected for the B.E.O.G. were students who met the criteria for independence. Another problem faced by independent students was the use of the previous year's income in determining the amount of the award. In most cases, the independent student who enrolled for the first time at Broome had a substantial variation change in income over the previous year.

Recommendations

It is apparent from all of the studies cited in this article, as well as the study conducted by the author, that although the financial aid community distributed the B.E.O.G. applications to the students, a large percentage either did not file for the grant or were determined to be ineligible. In order to make this program operate in the manner for which it was intended, the following changes should be adopted.

The requirement of a separate application should be discontinued immediately: two applications, one for the B.E.O.G. and one for other forms of federal student aid are a waste of time, money, and energy. When the College Scholarship Service was established, one of its objectives was to develop a simple system for applying for financial assistance. This service and that of the American College Testing Program should be allowed to determine the B.E.O.G. index without requiring a separate application.

Students who then applied only for the B.E.O.G. would simply have to complete a portion of the need analysis application. The cost of processing the B.E.O.G. section would be borne by the Federal government. Students who desired to be considered for institutional financial aid or other aid requiring the Parents Confidential Statement or Family Financial Statement would complete the entire application. Perhaps some thought should be given to having the Federal Government pay the entire cost of computing a standardized need analysis application for all forms of federal aid.

In addition to eliminating a separate application for the B.E.O.G., the institution should have ultimate control over the awarding of the grant. The concept of the B.E.O.G. as a direct grant should be eliminated. The Higher Education Amendments of 1972 did not specify that the grants be direct or indirect. In actual practice, we have a combination of a direct and indirect system. This situation, combined with the indirect financial aid programs administered by the colleges, results in the worst possible administration of all programs, and creates a great deal of extra paper work and confusion for everyone concerned. In addition to these problems, the B.E.O.G. program is now out of step with the other financial aid programs presently administered by the Federal government. Financial Aid Officers are packaging student financial aid of which the B.E.O.G. is but one segment; placing the B.E.O.G. outside the area of the existing Federal programs which the financial aid office administers only confuses the issue and, in many cases, causes the financial aid office to repackage each student's award at least twice.

The preliminary notification of aid section should be dropped. At Broome, 94% of the students who applied for a B.E.O.G. also applied for institutional aid. The B.E.O.G. is only one part of a student's aid package and, by itself is not enough to help the student choose which college he or she wishes to attend. If Congress really wishes to facilitate the student's choice of colleges, it should be urged to approve the appropriations for the institutionally controlled programs earlier; and the Commissioner of Education should be encouraged to file the B.E.O.G. Family Contribution Schedule by January 1. At the present time students, especially at publicly supported colleges, are often required either to accept or reject a college before they know the amount of financial aid to be received. As a result, the B.E.O.G. and the institutionally-controlled federal financial aid programs cannot be considered a factor in assisting students with their choice of postsecondary institution.

It would appear that the present system for determining a student's B.E.O.G. eligibility places too much emphasis on parents' assets. While this factor must be considered, much of the value of the assets are in fixed items such as homes and property. The formula either should place more emphasis on income or increase the asset reserve to $15,000-$20,000. This recommendation would protect the home assets of most low and moderate income families.

Conclusion

As the number of students applying for aid increases, and the Basic Educational Opportunity Grant Program becomes operational, it is imperative that Congress review all financial aid programs and design an efficient and economical delivery system which everyone understands and which is not subject to change as rapidly as is now the case. The recommendations incorporated within this article should solve many of the problems which currently exist.