

**REPORT OF THE  
STATE COUNCIL OF HIGHER EDUCATION ON**

**A Review of the Use of Discretionary  
Aid Within the Commonwealth's  
System of Higher Education**

**TO THE GOVERNOR AND  
THE GENERAL ASSEMBLY OF VIRGINIA**



**HOUSE DOCUMENT NO. 67**

**COMMONWEALTH OF VIRGINIA  
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## **I. Executive Summary**

House Joint Resolution 639, sponsored by Delegate Marian Van Landingham, directed the Council of Higher Education to review the "use of discretionary aid funds for undergraduate and graduate study" and to submit its findings and recommendations to the Governor and to the 1994 Session of the General Assembly.

The resolution noted that:

1. The costs of college education continue to escalate, potentially endangering the opportunity for many prospective students to pursue the goal of higher education.
2. The cost of a college education is more prohibitive for most minority families than for white families.
3. Financial aid is critical to student retention. Insufficient funds is a major reason why students do not continue their educational programs.
4. Graduate discretionary aid may be disproportionately used for students without financial need and for out-of-state students.

A copy of the resolution is in Appendix A.

Virginia has been a leader in implementing programs to assist students and parents in coping with the costs of attending state colleges and universities. In 1992 and 1993, the Governor recommended and the General Assembly appropriated additional student aid funds to partially offset large tuition increases which have occurred over the past several years.

The rapid increases in cost raise questions about not only how much money is available but also how it is divided among different groups of Virginians. To better understand these questions, the Council staff analyzed individual student data by race, income, type of institution and type of financial aid. Analyses show that a slightly greater portion of financial aid goes to needy minority Virginians than to needy white Virginians.

## II. Introduction

There has long been acceptance in the United States, and especially in Virginia, of the view that higher education benefits both the student and society and that the cost of education should be shared between society (federal and state government) and the individual (student and parents). Both the student and society have a basic interest in higher education because it increases both individual earning power and general productivity. Since the benefits of education are received over a long period of time after formal education ends, the cost of acquiring it should be viewed as a long-term investment.

The level of anxiety about higher education costs has grown in recent years because of the magnitude of the tuition increases and the continued effects of the recession and unemployment. In 1992-93, the average tuition in Virginia increased 12.7 percent over the previous year.

Virginia's current policy for paying for an education at a state-supported college or university places family, student, and federal responsibilities in context with the state's responsibility as follows:

1. Responsibility to pay the cost of attending college is shared by the individual, the federal government, and the state. While the relative share provided by the state has eroded from two-thirds to one-half, the basic principle of shared responsibility is still endorsed by the executive and legislative bodies. (Out-of-state students are expected to pay at least the full cost of their education.)
2. The income and assets of students and their families should be considered in determining eligibility for financial aid to help pay the cost of attending college. Except where students can demonstrate total financial independence, parents have a responsibility to support their children's higher education to the greatest possible extent. Students also have the responsibility to contribute earnings from their work toward the cost of their education.
3. The primary responsibility of the state is to provide financial aid to students whose personal and family circumstances do not enable them to fully meet tuition and fee costs. Student aid should be focused on grant and self-help assistance based upon each student's financial need.
4. Student loans are a secondary or supplemental form of financial aid that should be used after family contributions, earnings from work, and grants are determined to be insufficient to pay the price of college. Students and parents should be encouraged to save in advance of college enrollment to reduce dependence on loans.

### III. Financial Aid

#### A. General

There are many federal and state financial aid programs currently available to students attending Virginia's public colleges and universities. Most of these programs require that students demonstrate financial need. There are several components to the determination of need which are explained below. Other commonly used terms are also defined.

"Cost of attendance" means the sum of tuition, fees, room, board, books and supplies, and other education-related expenses. These are determined by an institution or by the Council for purposes of calculating a student's financial need (using a standard needs analysis method developed by the federal government) and awarding student aid.

"Expected family contribution" means the amount the student and the student's family is expected to contribute toward the cost of college attendance, based upon federal needs analysis method. The institution may adjust the contribution, as permitted under federal law, based on factors which affect the family's ability to pay.

"Financial need", means any positive difference between a student's cost of attendance and the student's expected family contribution.

"Gift aid" means financial assistance in the form of grants, scholarships, and other sources that do not require work or repayment.

Grant and scholarship programs provide assistance to eligible students based on demonstrated financial need, academic merit, and other criteria. Loans either supplement grants and scholarships or assist students who do not qualify for grants or scholarships. Work-study programs allow students to earn money to contribute toward their educational expenses. Appendix B lists many of these programs, with federally-sponsored programs appearing first, followed by state-sponsored programs.

Over 60,000 Virginia undergraduate students, or about one-fifth of the total enrolled in public colleges and universities, received over \$186 million in all forms of financial aid in 1991-92. The sources of aid included state appropriations, federal grants, institutional tuition waivers, academic scholarships, student work programs, guaranteed student loans, and other loans made directly to students. Most aid was need-based; nearly 51,000 students with financial need received approximately \$156 million in assistance. Not reflected in the data were loans to parents to pay for their children's education and other forms of aid, such as private bank loans, gifts from grandparents, and other personal gifts.

Most of the \$186 million in financial aid was gift aid -- grants (\$96.1 million) and scholarships (\$6.3 million) that do not require repayment or work. The two largest sources of grants were the federal Pell grant program and the state discretionary aid program. Undergraduate students earned another \$10.7 million through federal, state, and institutional work-study programs. Finally, students borrowed at least \$73 million to cover their educational costs. The largest loan program was the federal Stafford loan program. Loan volume has increased dramatically over the last few years. Table 1 shows the distribution of aid by the primary aid categories.

**Table 1**  
**Type and Amount of Financial Aid, 1991-92**  
**(All recipients)**

Type of Award	Total Dollars	Average Award
Grants	\$96,184,979	\$1,996
Scholarships	\$6,352,830	\$1,428
Work-Study	\$10,703,101	\$1,116
Loans	\$73,034,258	\$2,674
<b>Total</b>	<b>\$186,275,168</b>	<b>\$3,091</b>

Table 2 shows the distribution of student aid by family income group. This table and subsequent ones include only students who received need-based financial aid, unless otherwise noted. Examination of this table is important because of the state's long-standing commitment to providing access to low-income students.

**Table 2**  
**Distribution of Financial Aid By Income Group, 1991-92**  
**(Need-based recipients)**

<b>Family Income</b>	<b>Students</b>	<b>%*</b>	<b>Total Dollars</b>	<b>%*</b>	<b>Average Award</b>
\$1-10,000	16,518	33	\$55,731,185	33	\$3,373
\$10,001-20,000	10,901	21	\$35,843,802	22	\$3,288
\$20,001-30,000	8,356	16	\$27,598,959	17	\$3,302
\$30,001-40,000	5,752	11	\$18,390,490	11	\$3,197
\$40,001-50,000	3,494	7	\$10,391,649	6	\$2,974
\$50,001-60,000	1,864	4	\$5,250,441	3	\$2,816
Over \$60,001	3,846	7	\$13,491,370	8	\$3,507
<b>Total</b>	<b>50,731</b>	<b>100</b>	<b>\$166,697,896</b>	<b>100</b>	<b>\$3,236</b>

\*rounded

The majority of financial aid, over \$119 million, went to students with the greatest need: those whose families earned less than \$30,000 a year. A relatively small percentage of the total funds went to students whose families were in higher income brackets. Since most financial aid is based on need rather than income, it is possible for a student from a family whose income is greater than \$60,000 to receive need-based financial aid. For instance, a student from a high-income family with three children in college may be eligible for need-based financial aid because the family's expected contribution is divided by three.

The distribution of financial aid among income groups differs for each individual financial aid program according to the program's eligibility criteria and other factors. On average, students with lower family income received higher grant aid awards as indicated in the following table.

**Table 3**  
**Mean Awards by Family Income, 1991-92**  
**(Need-based recipients)**

Family Income	Grants and Scholarships		Work-Study		Loans	
	Students	Average Award	Students	Average Award	Students	Average Award
\$1-10,000	16,153	\$2,214	2,072	\$1,193	6,349	\$2,755
\$10,001-20,000	10,116	\$2,186	1,273	\$1,172	4,629	\$2,642
\$20,001-30,000	7,699	\$2,003	1,188	\$1,078	4,126	\$2,640
\$30,001-40,000	4,607	\$1,792	877	\$1,099	3,625	\$2,529
\$40,001-50,000	2,171	\$1,674	541	\$1,066	2,530	\$2,442
\$50,001-60,000	894	\$1,556	310	\$1,027	1,379	\$2,567
Over \$60,001	2,335	\$1,889	570	\$1,195	2,910	\$2,886
<b>Total</b>	<b>43,975*</b>	<b>\$2,051</b>	<b>6,831*</b>	<b>\$1,125</b>	<b>25,548*</b>	<b>\$2,668</b>

\* The columns do not total to 50,731 because not all students received each type of award.

Because of the close relationship between income and need, students from lower-income families received larger average grant awards than did students from higher-income families. This pattern was most evident in grant and scholarship programs in which a student whose family income was below \$10,000 received an average award of \$2,214 versus \$1,556 for those in the \$50,001 to \$60,000 category, a 30 percent difference. Most (70 percent) of the students who receive grants and scholarships come from families with a family income of less than \$30,000. Potentially, the difference could be greater because only students with identified financial need are included in these analyses. Many students from families at higher incomes are ineligible for need-based financial need and are excluded from the calculations.

The breakdown among income groups was less distinct for loans. Students whose families earned less than \$10,000 received an average loan for \$ 2,755, just \$188 higher than the average loan to those in the \$50,001 to \$60,000 category. The number of students who received loans is less concentrated among the students from lower-income families. About two-thirds of all the students who receive need-based loans come from families with a family income of less than \$30,000.



## B. Discretionary Aid Program

A significant portion of the grants and scholarship funds comes from the discretionary aid program. This program has been in existence since at least 1908. During most of its existence, it was a small loan program that was not even codified until 1978.

In 1981, the Appropriations Act included a section on student financial assistance for higher education that specified the current operation of the discretionary aid program. The section discontinued the required loan program, although it allowed the continued provision of loans by institutions. Most significantly, it allowed for grants to financially needy undergraduate Virginians. The financial assistance section also allowed 50 percent of the funds to be used for graduate students and up to 50 percent of the graduate portion to be used for out-of-state graduate students. The financial assistance section has not changed significantly since 1981.

Table 4 below summarizes participation in the program, in dollar amounts, since 1983-84. Participation has changed dramatically over the years due to sizeable increases in funding by the General Assembly. The University of Virginia supplements its discretionary aid with funds from tuition revenue. In 1993-94, the University added \$7.4 million to its allocation.

**Table 4**  
**Discretionary Aid Recipients, 1983-1993**

<b>Year</b>	<b>Undergraduate Recipients</b>	<b>Amount</b>
92-93 *	26,090	\$29,542,473
91-92 *	19,556	\$22,765,084
90-91 *	11,960	\$14,090,706
89-90	12,607	\$14,452,004
88-89	12,220	\$12,574,833
87-88	10,421	\$11,251,854
86-87	10,467	\$11,111,871
85-86	10,550	\$ 9,938,751
84-85	9,673	\$ 7,636,778
83-84	8,007	\$ 6,356,901

\* Includes University of Virginia non-general funds

Appropriations to individual institutions were first based on historical funding levels. Beginning in 1985, the Council's funding recommendations were based on student need. The goal was to provide assistance for a certain percentage of the need that remained after all other forms of financial aid were considered. The need amount was capped so that it did not exceed the sum of tuition and fees. This amount, need that exists after removing other forms of assistance, is called "remaining need."

In 1990-92, the same percentage of remaining need was applied to all institutions. The goal was to fund each institution in a similar manner. The total funding for the program more than doubled in the 1992-94 biennium and in 1993-94, each institution received an appropriation based on 45 percent of the students' remaining need.

Another recent change in the program was the elimination of loans and work-study funds from the determination of remaining need. The treatment of loans and work-study as gift aid ignored the fact that such programs are primarily self-help. A special required self-help component remains in the calculation of need.

To examine the use of discretionary aid by race, three groupings were used: other minority, Black,, and white. Generally, students received aid proportional to their need. The percentages shown below are based on amounts in each of the following categories: need, all aid (gift aid, loans, and work-study), gift aid (grants and scholarships), and discretionary aid.

**Table 5**  
**Distribution of Need and Financial Aid by Race, 1991-92**

	<b>Other (%)</b>	<b>Black (%)</b>	<b>White (%)</b>	<b>Total*</b>
Need	9	28	64	100
All Aid	10	29	61	100
Gift Aid	10	31	58	100
Discretionary Aid	11	28	60	100

\*rounded

Analysis of need showed non-Black minorities with nine percent of the need, Blacks with 28 percent, and whites with 64 percent. In terms of all aid received (grants, scholarships, loans, work-study), 10 percent went to other minorities, 29 percent went to Blacks, and 61 percent went to whites. By race, for gift aid other minorities received 10 percent, Blacks received 31 percent, and whites received 58 percent. For the discretionary aid program, the earlier pattern concerning all financial aid remained the same, minorities received a slightly greater percentage of aid than did whites. Whereas

whites represented 64 percent of the need total, they received 60 percent of the discretionary aid. This finding reflects the typical packaging philosophy followed by most institutions. They usually fund the students with the greatest need first and then fund others. Minorities are more likely than whites to have the largest needs; therefore, they are more likely to receive awards.

Examining the use of discretionary aid by type of institution, the data show different institutional patterns, but similar racial patterns when looking at the percentage of need met by discretionary aid (Table 6).

**Table 6**  
**Percent of Need Met by Discretionary Aid by Race**  
**and Type of Institution, 1991-92**

<b>Institution</b>	<b>Other (%)</b>	<b>Black (%)</b>	<b>White (%)</b>
Doctoral	10	11	10
Comprehensive	11	9	9
Community Colleges	5	2	3
<b>Total</b>	<b>9</b>	<b>7</b>	<b>6</b>

Doctoral and comprehensive institutions met a greater percentage of total need than did community colleges through the discretionary aid program. Discretionary aid awards are limited to tuition and required fees. Community college tuition and required fees are much lower than at four-year institutions and represent a smaller proportion of the total cost of attendance. Discretionary aid awards will, therefore, meet a smaller proportion of total need of students at the community colleges.

Table 7 below details the results for all income and race categories. An analysis of discretionary aid by income and race shows that of the families with less than \$10,000 income, other minorities comprised eight percent of the total, Blacks comprised 31 percent, and whites comprised 60 percent. In terms of discretionary aid received, others received 16 percent, blacks received 30 percent, and whites received 57 percent.

**Table 7**  
**Discretionary Aid Recipients by Race and by Income, 1991-92**

	Other		Black		White	
Income	Stu- dents (%)	Discre- tionary Aid(%)	Stu- dents (%)	Discre- tionary Aid(%)	Stu- dents (%)	Discre- tionary Aid (%)
less than \$10,000	8	16	31	30	60	57
\$10,001- \$20,000	7	10	31	32	61	58
\$20,001- \$30,000	7	10	27	27	66	63
\$30,001- \$40,000	7	9	24	26	69	65
\$40,001- \$50,000	10	13	22	23	69	64
\$50,001- \$60,000	9	15	18	19	73	66
Over \$60,000	19	17	13	17	68	65
Total	9	11	28	28	64	60

In summary, other minorities comprised nine percent of the population but received 11 percent of the aid, while Blacks made up 28 percent of the population and received 28 percent of the aid. Whites comprised 64 percent of the population and received 60 percent of the aid. Discretionary aid for undergraduates was fairly equally distributed among the races.

The concern about the use of discretionary aid for graduate students, both in-state and out-of-state, is that it diverts financial assistance from in-state undergraduate students. Two institutions, the University of Virginia and Virginia Tech, use nearly half of their discretionary aid for graduate students. Setting aside funds for graduate students leaves less funding for the undergraduates, but the effect is muted because these two have a variety of funding sources and the results of the overall mix of financial aid funds produces fairly comparable results in terms of support for undergraduates.

As shown in Table 8, both UVA and Virginia Tech met or exceeded the average need met with gift aid. The use of discretionary aid by graduate students thus does not markedly reduce the level of support for undergraduate students at doctoral institutions.

**Table 8**  
**1991-92 Financial Aid Recipients' Percent of Need Met with Gift Aid\* by Race and by Institution**

	Other	Black	White	Total
<b>Doctoral-Granting Institutions</b>				
CWM	38	63	35	41
ODU	35	38	27	31
VCU	36	39	30	33
GMU	27	35	22	25
VPI	35	49	29	33
UVA	51	54	41	46
<b>Total</b>	<b>35</b>	<b>42</b>	<b>29</b>	<b>33</b>
<b>Comprehensive Institutions</b>				
CNU	28	30	24	26
LGC	19	47	24	27
JMU	33	39	27	30
RDU	36	38	32	32
MWC	29	34	20	23
CVC	33	75	35	36
VMI	58	47	48	49
VSU	27	36	35	36
NSU	27	36	27	34
<b>Total</b>	<b>32</b>	<b>36</b>	<b>28</b>	<b>32</b>
<b>Community Colleges</b>				
VCCS	37	25	25	26
<b>Total</b>	<b>37</b>	<b>25</b>	<b>25</b>	<b>26</b>
<b>Two-Year Colleges</b>				
RBC	41	41	35	38
<b>Total</b>	<b>41</b>	<b>41</b>	<b>35</b>	<b>38</b>
<b>Grand Total</b>	<b>35</b>	<b>33</b>	<b>27</b>	<b>30</b>

\* Gift aid includes grants, scholarships, and other sources that do not require work or repayment

#### **IV. Conclusion**

Most of the assistance provided to students is in the form of grants and scholarships and most of the money goes to students from families with income less than \$30,000 a year. As the total amount of discretionary aid has increased so has the number of undergraduate students receiving discretionary aid. Over 26,000 undergraduates received discretionary aid in 1992-93.

African-Americans and other minorities receive aid proportional to their need. Discretionary aid meets a greater percentage of total need at doctoral and comprehensive institutions than at community colleges.

A fairly consistent pattern exists for all income groups. African-Americans and other minorities tend to receive slightly more discretionary aid than whites. Income variation differences are more pronounced than are racial differences.

The data indicate that institutions that transfer a large percentage of discretionary aid funds to graduate students do not provide less support to undergraduate students when compared to similar institutions.

In summary, these analyses of undergraduate data show that aid is generally distributed based on economic circumstances as measured by financial need. The data suggest that the use of discretionary aid for graduate students does not significantly diminish the financial aid available to undergraduates.

LD9381476

HOUSE JOINT RESOLUTION NO. 639  
FLOOR AMENDMENT IN THE NATURE OF A SUBSTITUTE  
(Proposed by Delegate Van Landingham  
on February 9, 1993)

(Patron Prior to Substitute—Delegate Van Landingham)

Requesting the State Council of Higher Education to review the use of discretionary aid funds for undergraduate and graduate study and the placement of the Equal Education Opportunity Unit.

WHEREAS, the cost of a college education continues to escalate beyond the means of most families, including two-parent, middle-income families; and

WHEREAS, the cost of a college education is even more prohibitive for most minority families, usually less economically well-off; and

WHEREAS, nationally, the rate of minority college and university enrollment, retentions, and graduation at the undergraduate and graduate levels has lessened over the past decade, improved slightly in 1991-1992, and, again, has now begun to decrease; and

WHEREAS, the lack of money is among the obstacles to college attendance for minority youth, of whom many would be first-generation college graduates; and

WHEREAS, minorities who are able to avail themselves of financial aid opportunities through college financial aid programs often find themselves unable to complete their education because the funds are insufficient; and

WHEREAS, eligibility for graduate discretionary aid grants may be based on criteria other than financial need and awarded to out-of-state students, and the State Council of Higher Education should monitor those expenditures; and

WHEREAS, institutions should be encouraged to use discretionary aid grants in support of the Virginia Plan to reduce the loan indebtedness of minority undergraduate students, many of whom represent a disproportionately high percentage of low-income families; and

WHEREAS, there is a great concern, given the recent pronouncements of the State Council of Higher Education regarding the interest shown for minority higher educational needs and goals; and

WHEREAS, these crucial issues merit an evaluation of the placement of the Equal Education Opportunity Unit ; therefore, be it

RESOLVED by the House of Delegates, the Senate concurring, That the State Council of Higher Education be requested to review the use of discretionary aid funds for undergraduate and graduate study and the placement of the Equal Education Opportunity Unit. The Council shall complete its work in time to submit its findings and recommendations to the Governor and the 1994 Session of the General Assembly as provided in the procedures of the Division of Legislative Automated Systems for the processing of legislative documents.

Official Use By Clerks	
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The House of Delegates	Agreed to By The Senate
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Clerk of the House of Delegates	Clerk of the Senate

## **Appendix B: Listing of Financial Aid Programs, 1993-94**

### **A. Federal Programs**

Federal financial aid programs available at Virginia's colleges and universities include grant and scholarship programs, loan programs, and a work-study program. The amount and structure of these awards vary from program to program and from year to year based on federal appropriations to these programs. The following is a summary of each program:

#### **Pell Grant**

Pell Grants are available to undergraduate students who demonstrate extreme financial need and are enrolled at least half-time. Unlike a loan, the grant does not have to be repaid. A grant is awarded to every eligible student. The amount of a Pell Grant is calculated by dividing the total program funding allotted by the U.S. government by the number of eligible recipients. For 1993-94, it is \$2300.

#### **Supplemental Educational Opportunity Grant (SEOG)**

SEOGs are awarded to undergraduate students who demonstrate exceptional financial need. Priority is given to Pell Grant recipients. Unlike the Pell Grant program, which is administered by the federal government, SEOGs are campus-based and are administered by the financial aid offices of participating institutions. The amount of a SEOG varies each year, depending on the student's financial need and the amount of money allocated to the institution.

#### **Paul Douglas Teacher Scholarship**

Designed to encourage outstanding high school graduates to pursue teaching careers, this program awards scholarships on a competitive basis to qualified Virginia residents who rank in the top 10 percent of their high school graduating class. Applicants must enroll for full-time study in a program which leads to teacher certification at an eligible Virginia four-year college or university. The maximum award for 1993-94 is \$5,000.

#### **Stafford Loans**

Stafford loans are federally-sponsored, low interest education loans made by banks, savings and loans, and credit unions. Beginning October 1, 1992, there were two types of Stafford loans: subsidized and unsubsidized. Subsidized loans are awarded based on financial need, and the federal government pays the interest on these loans during the period the student is in school or under any approved periods of deferment.

For subsidized Stafford Loans, undergraduate and graduate students must be enrolled at least half-time to participate. In many cases, Stafford Loans are supplemental to Pell Grants when Pell Grants do not cover the full cost of a student's education. An



eligible student may borrow up to \$2,265 per year as a first-year undergraduate, \$3,500 per year as a second-year undergraduate, \$5,500 per year for the third year of study and subsequent years, and \$8,500 per year as a graduate student. The total debt allowed under the program may not exceed \$23,000 for undergraduates and \$65,000 for graduate students (including undergraduate loans).

Unsubsidized Stafford loans are available to those who do not qualify for subsidized Stafford loans and are different in that the borrower is responsible for paying the interest on the loan while in school or during any authorized period of deferment. This interest may be capitalized (added to the principal) and paid after the student leaves school. Any student who has remaining financial need, as determined by the institution, may borrow an unsubsidized Stafford Loan as long as the student has not already borrowed the yearly maximum amount for the subsidized Stafford Loan.

### **Parent Loans (PLUS)**

There are two educational loan programs which are not based on financial need, PLUS and Supplemental Loans for Students (SLS). The loans are made by banks, credit unions, and savings and loans. PLUS loans are available to parents of dependent undergraduate or graduate/professional students, and SLS loans are available to independent undergraduate and graduate/professional students.

The PLUS Loan is a long term loan to parents of dependent undergraduate and graduate students and may be used in conjunction with a Stafford loan. The interest rate on PLUS is variable and calculated as the 52 week Treasury bill plus 3.1% with a cap of 10%. The rate changes every July. PLUS borrowers may receive up to the cost of education per year. There are no aggregate loan limits for PLUS borrowers, except cost of education.

### **Supplemental Loans for Students (SLS)**

SLS is a long term loan available to undergraduate, graduate and professional students. Students must have their eligibility calculated for a Pell grant and a Stafford loan before they can be awarded an SLS. For the most part SLS loans are made to independent students. SLS borrowers are eligible to receive up to \$4,000 for the first two years and up to \$5,000 per year for the remainder of their undergraduate degree. Graduate or professional students may borrow up to \$10,000 per year. The total debt allowed under the SLS program may not exceed \$23,000 for undergraduates and \$73,000 for graduate students (including undergraduate loans).

### **Perkins Loans**

A Perkins Loan is a low-interest loan made through a school's financial aid office and is available to undergraduate and graduate students who demonstrate financial need. The school acts as the lender; each school receives an allocation of funds from the federal government. The money is awarded on a first-come, first-served basis. Freshmen and

sophomores may borrow up to \$4,500, juniors and seniors up to \$9,000 and graduate/professional students up to \$18,000. Repayment of the loan begins nine months after the student graduates, leaves school, or moves to half-time status.

### **College Work-Study**

College Work-Study (CWS) is a campus-based program which allows students to earn money to contribute to their educational expenses. Students may work at on or off-campus jobs, depending on the sites available and the program is administered by the institution's financial aid office. Undergraduate and graduate students enrolled at eligible institutions may participate in CWS. The amount of CWS that a student receives varies according to financial need, the student's hourly wage, and the number of hours worked. The school and the student determine the student's work schedule based on the amount of the CWS award and the student's class schedule and academic standing.

### **B. Virginia Programs**

The state programs provide grants to afford access to a college education for needy students, scholarships and fellowships based on merit or service, and a state work-study program to allow students to earn money to contribute toward their educational expenses, and loans. These programs primarily augment the federal programs by providing assistance for students who are needy but who do not receive adequate federal financial aid.

#### **Virginia College Scholarship Assistance Program (CSAP)**

CSAP awards grants to undergraduate students who demonstrate financial need. The amount of the award ranges from \$400 to \$2,000. It is a joint state-federal program; the state pays over 75 percent of the grant.

**Discretionary Aid** (See main report.)

#### **Virginia Transfer Grant Program (VTGP)**

VTGP awards grants to "other race" students who are enrolled in a four-year Virginia public college or university. Applicants must meet minimum merit criteria and qualify for entry as first-time transfer students. The grant provides full tuition and mandatory fees or remaining need, whichever is lower. The program is open to all minority groups.

### **Last Dollar Program**

The Last Dollar Program awards grants to "other race" undergraduate students enrolled for the first time in a state-supported college or university in Virginia. Financial need must be demonstrated. The program is open to all minority groups.

### **Virginia Scholars Program (VSP)**

VSP is a merit-based scholarship program designed to encourage Virginia's brightest high school and two-year college students to attend college in Virginia. The award amount for 1993-94 is \$3,000 per year.

### **Eastern Short Tuition Assistance Program (ESTAP)**

ESTAP provides assistance to residents of Northhampton and Accomack counties who elect to complete their junior and senior years of college as community students at Salisbury State College of the University of Maryland - Eastern Shore. The award is up to the difference between in-state and out-of-state tuition.

### **Virginia Teaching Scholarship Loan Program (VTSLP)**

VTSLP provides financial assistance to prospective teachers who are at least juniors and are enrolled in a state-approved teacher preparation program. The yearly loan is \$2,000 and with teaching service, it is forgiven.

### **Grandville P. Meade Scholarship (Meade)**

The Meade Scholarship is funded by an endowment and assists needy students who are Virginian by birth. Superintendents select recipients and awards are \$500.

### **Virginia Graduate and Undergraduate Assistance Program**

The state matches interest earned from college's and universities' endowments which are specifically for student financial aid. Awards are based on outstanding academic achievement.

### **Virginia Tuition Assistance Grant Program (TAGP)**

TAGP is available to undergraduate and graduate/professional students who are residents of Virginia and enrolled at eligible private colleges and universities in Virginia. There is no financial need requirement for this grant. The amount of the TAGP grant is based on the amount of funding provided divided by the number of eligible students. The amount of the grants for 1993-94 is \$1,500 per student.

## **Edvantage Loan Program**

Edvantage is Virginia's supplemental loan program that was introduced in 1988 to provide an alternative for parents and students who did not qualify for federal need-based loans. Edvantage is credit-based, meaning that the loan is made based on the ability to repay (income less other obligations) and the borrower's propensity to repay (credit history). Most borrowers tend to be parents, but the student is always a co-borrower on an Edvantage loan, allowing the student to assume the payments after he or she graduates.

Edvantage loans are available for up to \$15,000 per year per student for a maximum aggregate borrowing of \$60,000 per student. The interest rate is prime plus 1 1/2%, which changes monthly.

## **Virginia Work-Study Program**

This program allows undergraduate and graduate students to earn money to contribute toward education expenses. The amount of the award varies with the hourly wage and the number of hours worked.

### **Other:**

There are many other financial aid programs available at colleges and universities. They include:

- Nursing Scholarship Program
- Medical Scholarship Program
- Rural Dental Scholarships
- Traineeship for Special Education Personnel
- State Law Enforcement Officers Educational Program
- State Cadetships
- Virginia National Guard
- Virginia World War Orphan Education Act
- Soil Scientist Program
- Senior Citizens Tuition Waiver

Other sources of financial aid are the unfunded scholarships that are provided by some institutions from revenue sources other than direct federal or state appropriations. These are primarily need-based scholarships provided to Virginia students.