

DIVISION OF STUDENT AFFAIRS

STUDENT FINANCIAL SERVICES

THE HISTORY OF FINANCIAL AID

OVERVIEW

FINANCIAL AID HISTORY

FEDERAL AID

STATE AID

INSTITUTIONAL AID

THE PURPOSE OF FEDERAL TITLE IV FINANCIAL AID

Federal Student Aid Programs were established to:

- Develop skills needed by the country.
- Provide increased access to postsecondary education across multiple income groups.
- Provide an increased choice of postsecondary schools for low and middle income students.

FEDERAL FINANCIAL AID HISTORY TIMELINE

1944 – THE G.I.BILL (Serviceman’s Readjustment Act)

Established to help veterans return to civilian life after WWII. Key provisions were education & training, loan guaranty for homes & unemployment pay.

1958 – THE NATIONAL DEFENSE EDUCATION ACT

Established after the Soviet Union launched the first ever satellite called “**Sputnik**” the year before. The National Defense Student Loan (NDSL) program, the very first student aid program for non-veterans was created. Students now had access to student loan monies to study in critical fields such as mathematics, science, and foreign languages.

1964 – THE ECONOMIC OPPORTUNITY ACT

Also called the “War on Poverty” Act. The College Work-Study (CWS) program was created from this act. CWS offered students employment opportunities while they pursued their college degrees.

THE HIGHER EDUCATION ACT (HEA) OF 1965

Educational Opportunity Grant Program (EOP) – intended to increase college opportunities for low-income students at certain participating colleges.

Guaranteed Student Loan Program (GSL) – a program which provided opportunities for students with no credit history to borrow from **private lenders** for college expenses. (The federal government guaranteed the loans so that lenders (banks) wouldn't lose money if a borrower failed to repay their loans.)

HEA AMMENDMENTS OF 1972

Basic Education Opportunity Grant Program (BEOG) – The BEOG was created for use at any eligible postsecondary school by students who met specific “**financial need**” criteria. Renamed Pell Grant Program in 1986.

(EOP) Changed to (SEOG) – The EOP program now supplemented the BEOG program, and was renamed the **Supplemental Educational Opportunity Grant**.

HEA AMMENDMENTS OF 1972 (cont)

The National Defense Student loan renamed as the National Direct Student Loan program (NDSL). Renamed again in 1986 to the Federal Perkins Loan program.

Proprietary (Profit) schools now allowed to participate in Title IV programs.

College Work Study (CWS) and Guaranteed Student Loan (GSL) programs extended.

1976 – HEA AMMENDMENTS

Satisfactory Academic Progress (SAP) Requirements Added - Provisions introduced which required schools to provide information on academic progress requirements.

Student Consumer Information - Job placement information for graduates, and financial aid policies and procedures.

1992 HEA AMENDMENTS

- Required that the student aid application process **be free to students.**
- Renamed The Private-lender student loan programs to:
Family Federal Education Loan (FFEL) program
- Created the **Federal Direct Loan Program** (which provides government-funded loans to students through participating schools).

1997 TAXPAYER RELIEF ACT

- Established Tax credits and other relief measures to offset the cost of postsecondary education.

1998 HEA AMENDMENTS

- **Reauthorization of Title IV programs with new changes**

New policy introduced for handling Title IV funds for withdrawing students.

- **Creation of the GEAR UP program**

An early awareness program – Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP) program is created.

- **SSIG (State Student Incentive Grant Program) renamed to LEAP (Leveraging Education Assistance Partnership) Program**

- **Establishment of Student Financial Aid Ombudsman's Office**

Created to assist borrowers help resolve problems with their loans.

- **Tied Title IV eligibility to compliance with federal and state drug laws**

Suspended Title IV eligibility for any student convicted of violating federal or state laws related to drug possession or sales.

THE HIGHER EDUCATION RECONCILIATION ACT (HERA) OF 2005

Academic Competitiveness (ACG) grant– reserved for college students with the greatest need for financial aid to attend school who demonstrate academic potential.

The National Science & Mathematics Access to Retain Talent Grant (SMART) Grant –majoring in physical, life, or computer sciences, mathematics, technology, available to students engineering or a critical foreign language.

Made active duty military personnel “**Independent**” status.

The College Cost Reduction And Access Act of 2007

- Authorized increases in the amount of Federal Pell grants.
- Established the Teacher Education Assistance for College and Higher Education Assistance (**TEACH**) Program.
- Lowered interest rates on student loans, and expanded loan repayment options.
- Created a new loan forgiveness plan for public service employees.

STATE AID

Objectives: Maximize access to higher Education for all qualified students.
Bring equilibrium to both public and independent sectors.

- Tuition Assistance Program (**TAP**)
- Part-Time Tap (**PTAP**)
- Aid for Part-Time Study (**APTS**)
- College Discovery Program (**CD**)

New York's Tuition Assistance Program - Timeline

1974-1975 The Tuition Assistance Program (**TAP**) begins in New York State.

1974 – 1975 Max. Award \$1,500

1994 – 1995 Max. Award \$4,050

1975 – 1978 Max. Award \$1,800

1995 – 1996 Max. Award \$3,900

1981 – 1982 Max. Award \$2,200

1997 – 1998 Max. Award \$3,900

1984 – 1985 Max. Award \$2,700

1999 – 2000 Max. Award \$2,250

1986 – 1987 Max. Award \$2,850

2000 – 2001 Max. Award \$2,375

1989 – 1990 Max. Award \$3,650

2001 – 2003 Max. Award \$2,500

1990 – 1991 Max. Award \$4,125

2003 – 2009 Max. Award \$2,800

1992 – 1993 Max. Award \$3,650

2009 – 2010 Max. Award \$3,150

2010 – 2011 Max. Award \$3075

SEEK / COLLEGE DISCOVERY PROGRAM

Established in 1964 as a special program in the City University of New York (**CUNY**), **College Discovery** was created to provide access to educationally and economically disadvantaged students.

SEEK (Search for Education, Elevation and Knowledge)

Is a New York State program created in 1966 to assist both academically and financially disadvantaged.

NEW YORK CITY PROGRAMS

Peter Vallone Scholarship – recognizes academic excellence in students who have proven themselves academically while in high school. For the 2009-2010 academic year, the Vallone scholarship was for \$500 a year.

INSTITUTIONAL AID

LaGuardia Foundation Scholarship – Since its inception in March 2003, The Foundation scholarship has helped students in financial need to pay for college expenses. Awards range from \$500 to \$3500.

2009 – 2010

1,136 applications submitted.

372 students awarded.

\$372,111 gross awarded.

2010 – 2011

900 applications submitted.

238 students awarded.

\$341,000 budget.

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