
OFFICE OF STUDENT FINANCIAL AID

1994-95 brought significant changes to the way in which work is done at the Student Financial Aid Office. The three-year long development of the new Student Information System culminated in the conversion to the new computer system at the end of October. From that point forward, every financial aid process relating to the storage, retrieval, and modification of student information data was different. The office experienced improvement in many areas of MIT's financial aid services. Development on a number of important functions continues and others remain to be started during the coming year. It is anticipated that most of the functionality specified in the original plan will be completed within the next 18 months.

The federal mid-term elections in 1994 brought a new Republican majority to the U.S. Congress that included in its agenda a drastic reduction in federal spending in all areas, including education. Within months of the election, substantial cuts were proposed in the federal grant and loan programs. This new agenda also included the elimination of the Direct Lending program, a program that MIT chose to join in 1994. Direct Lending enjoyed considerable bi-partisan support in the early 90's. However, after the Clinton administration included it as a cornerstone of its federal financial aid programs, it became subject to an increasingly contentious and partisan political debate that is yet to be resolved. With this background, MIT and hundreds of other schools have converted to the Direct Lending program eliminating private lenders and state guarantee agencies from the student loan programs. The first Direct Loans were made to students beginning in April in anticipation of the summer and coming academic year. These loans were made after significant changes in the loan processing system were instituted. It is anticipated that the Direct Loan Program will be a simpler and more efficient loan delivery system that will be easier for students and for MIT to manage.

SCHOLARSHIPS AND GRANTS*

(Awarded to Undergraduates with Need)
(\$000's)

Source	1992-93	1993-94	1994-95
Pell Grants	1,193	1,261	1,276
SEO Grants	1,453	1,980	1,903
ROTC Scholarships	498	499	770
Scholarship Endowment	9,080	9,724	10,854
Current Gifts	984	1,064	873
Direct Grants	2,751	2,810	3,071
Unrestricted Funds	15,920	15,523	16,165
Total Grants Awarded	31,879	32,861	34,912

* All of the numbers reported in this section reflect awards from the academic year perspective and may not agree exactly with fiscal year records reported by the Bursar, Comptroller, or Treasurer.

The economic state over the past year, while not robust, continued to improve. This trend was reflected in the expenditures for financial aid. Request for assistance from families experiencing unemployment and other financial setbacks decreased. While the overall budget increased, the rate of increase in the use of unrestricted funds continued to moderate partly because of parents' and student' ability to contribute towards educational costs. The average need of students receiving financial aid was \$19,636, 4.7% above last year, but less than the 6.0% increase between FY 1993 and 1994. There were 2,697 eligible students receiving aid in FY95. Scholarships from endowment increase by 12% over FY94 to \$10,854,000. Current gifts, funds that fluctuate from year to year, were down by almost 18%, but on a much smaller base. When combined with endowment funds, the total use of scholarships from funds donated to MIT for this purpose still increased by 8.7%. The improving economy was also reflected in the 10% increase in funds from outside donors directly to students. ROTC scholarships and Federal Pell Grants to needy students also increased. The drawdown of unrestricted funds used for scholarships still increased by 4% over FY94. The ratio of unrestricted funds used for scholarships to tuition income for undergraduates went down slightly from 18.7% to 18.6%.

LOANS*

(Received by Needy and Non-Needy Students)
(\$000's)

Source	1992-93	1993-94	1994-95
A. Awarded to Undergraduates			
Technology Loan Fund	1,233	1,324	1,863
Perkins/Nation Direct Loans	3,697	3,043	3,753
Stafford Loans to Needy Students	5,713	7,555	8,091
Stafford Loans Beyond Need	55	186	459
Supplimental Loans to Students	403	580	130
Sub-Total	11,101	12,688	14,296
B. Awarded to Graduate Students			
Technology Loan Fund	2,932	2,120	2,739
Stafford Student Loans by Commercial Lenders	3,150	3,572	4,970
Stafford Student Loans by MIT	330	236	0
Stafford Loans Beyond Need	0	13	2,768
Perkins/National Direct Loans	23	11	47
Plus Loans & Federal Supplimental Loans for Students	977	1,843	12
Sub-Total	7,412	7,795	10,536

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The Federal Stafford Loan Program saw a significant increase in use by both undergraduate and graduate students. Effective last year, the federal government expanded eligibility for the unsubsidized Stafford Loans and this year, for graduate students, combined the Stafford program with the graduate Supplemental Loan Program. Increase in the use of the Technology Loan program by undergraduates was the result of expanded eligibility for borrowing by undergraduates students for summer and term-time self help. The increase in the total figure for loans among graduate students reflects the additional number of students in the Masters program in The Sloan School and in the new Master of Engineering Program in Electrical Engineering, both of which are dependent on the Technology Loan Fund to fund aid eligibility beyond the federal limits.

STUDENT EMPLOYMENT

The off-campus job market showed about a 12 percent increase in available jobs. The average starting rate of those jobs was well above the federal minimum wage.

2,692 undergraduate students worked on campus earning \$5,664,996 in 1994-95. This was a decrease from the prior year when 2,904 undergraduates earned \$6,783,471. The new policy of charging overhead on UROP wages is partly responsible for this decline in wages earned on campus.

The College Work- Study Program allocation remained about the same as last year. One third of the grant subsidized work done by undergraduates and two thirds subsidized graduate student teaching assistantships.

The 1992 re-authorization of the Higher Education Act requires that each institution participating in the Federal College Work Study Program (FWS) beginning July 1, 1994 must spend at least 5 percent of its FWS allocation to compensate students employed in community service activities. Under this mandate, MIT began the new off-campus Community Service program. Forty-nine students participated in the program in the first year. They worked in a wide range of areas - tutoring and note taking for students with disabilities, educational technology development for primary and secondary public education, training high risk teenage girls in practical job skills, providing resources and referrals to families, particularly immigrants, for affordable child care, provide outdoor experiences for people with and without disabilities and much more. An extensive tracking system at the SFAO was developed to provide placement information and to account for FWS funds.

The electronic College Work- Study computer system was totally rewritten and for the first time integrated the monitoring and charging of the Graduate College Work-Study process.

The SEO redesigned and developed systems to improve service to the public, to inform our own student employees and to communicate to the MIT community. The Job Card data base was made more user friendly and the office is well underway in posting the job listings on the World Wide Web. The time consuming process of updating the job boards has changed from a manual process to an electronic tracking process. The office policies and procedures manual has been revamped and is an integral document in the management of the office.

STAFF NOTES

Beth Ann Scheid and Karen Wilcox, job sharing partners from the support staff, were promoted to Assistant to the Director and now continue job sharing as administrative staff members. Yvonne Gittens was elected President of the National Association of Financial Aid Administrators and was honored as a recipient of the MIT Community Service Award. Faustina Davidheiser retired from the SFAO after 15 years service as a secretary and administrative staff assistant.

Stanley G. Hudson