

CAMPUS-BASED PROGRAMS

Campus-based federal student aid includes the Perkins Loan, Federal Work-Study (FWS), and Federal Supplemental Educational Opportunity Grant (FSEOG) programs. Funds from these programs are given to the institution for distribution, rather than directly to the student. Institutions value these programs highly because they allow discretion to address areas of need specific to individual students.

- The **Federal Work-Study** program provides the opportunity for part-time employment for financially needy undergraduate and graduate/professional students. Jobs must, to the best extent possible, be related to students' academic or career goals. Institutions must generally contribute at least 25% of wages paid. In the 2012-13 award year 694,000 students, including 523,000 dependent undergraduates, earned over \$1.1 billion dollars in wages through participation in the FWS program- an average of \$1,673 per student.
- The **Federal Supplemental Educational Opportunity Grant** program provides grants to low-income undergraduates with the greatest demonstrated financial need. The maximum annual award is \$4,000; the minimum annual award is \$100. Priority must be given to students who receive Federal Pell Grants, and awards must be made first to students who have the lowest expected family contributions. At least 25% of FSEOG awards must come from institutional resources. In the 2012-13 award year, 85% of dependent recipients of FSEOG awards came from households making less than \$42,000 a year.
- The **Federal Perkins Loan** program distributes low-interest (5%) subsidized loans to undergraduate and graduate/ professional students with financial need; priority is given to those with exceptional need. Borrowing is subject to annual and aggregate loan limits. Borrowers usually repay the loans directly to their postsecondary institutions beginning 9 months after cessation of enrollment (a "grace period") unless the borrower qualifies for a deferment; repayments are used to make new loans. Interest does not accrue during in-school, grace, or deferment periods. Institutions match at least 33% of their Federal Capital Contributions. Loan repayments may be cancelled for borrowers who perform certain volunteer, military, health care, or other services. In the 2012-13 award year, 49% of dependent recipients of Perkins loans came from households making less than \$42,000 a year.

State of Programs:

- **Federal Work-Study Program:** The Federal Work-Study Program has been level-funded for the past several years. FWS is popular for providing work experience to students with little or no previous employment history.
- **Federal Supplemental Educational Opportunity Grant:** The Supplemental Educational Opportunity Grant Program has been level-funded for the past several years.
- **Federal Perkins Loan Program:** No new federal funds have been allocated for Federal Capital Contributions since FY 2006. In addition, in recent years there has been a lack of loan cancellation reimbursements to schools. Schools have been relying on their revolving loan funds to provide new loans to students. Unless Congress acts, the program will expire on October 1, 2015.

We urge Congress to:

- ✓ In these tight fiscal times, continue to level fund FWS and FSEOG.
- ✓ Recognize the value of institutional awarding discretion inherent in campus-based programs.
- ✓ Take action to extend the expiring Perkins Loan program so that that it's long-term status can be thoughtfully addressed during reauthorization