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University of Pittsburgh, Ed.D., 1971
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SIMILARITIES AND DIFFERENCES BETWEEN AWARDEES AND NON-AWARDEES IN THE PENNSYLVANIA HIGHER EDUCATION ASSISTANCE AGENCY SCHOLARSHIP PROGRAM 1970-71.

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B.S., Indiana University of Pennsylvania, 1958
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Submitted to the Graduate Faculty in the School of Education in partial fulfillment of the requirements for the degree of Doctor of Education

University of Pittsburgh
1971

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TABLE OF CONTENTS

	Page
ACKNOWLEDGMENTS	i
INTRODUCTION	1
Purpose of the Study	1
I. METHOD OF RESEARCH	3
Statement of the Problem	3
Delimitation of This Study	4
Limitations of This Study	4
Definitions of Terms Used in This Study	5
Procedure for the Study	8
II. BACKGROUND AND RELATED LITERATURE	12
Background of Problem	12
Survey of Related Literature	16
Historical Background of PHEAA	20
Need for This Study	25
III. THE DATA AND FINDINGS	28
A Comparison of State Scholarship Programs	64
IV. SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS	75
General Summary	75
General Conclusions	76
Recommendations As a Result of This Study	77
Areas for Further Research	81
Concluding Statement	87
APPENDICES	
A. Application For State Scholarship	90
B. Scholarship Award Notice	94
C. Scholarship Ineligibility Notice	96
D. Parental Contribution Table	98
E. Letter To Parents	99
F. Parents' Work Sheet	100
G. Acknowledgment of Source of Data	103
BIBLIOGRAPHY	104

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LIST OF TABLES

Table Number	Title	Page Number
1	Gross Family Income--All PHEAA Awardees	29
2	Gross Family Income--University Park Awardees	30
3	Gross Family Income--New Kensington Awardees	31
4	Gross Family Income--All PHEAA Non-Awardees	32
5	Gross Family Income--University Park Non-Awardees	33
6	Gross Family Income--New Kensington Non-Awardees	33
7	Comparison of Gross Family Income	35
8	Comparing Awardees and Non-Awardees With Both Working Parents	36
9	Number of Dependent Children	38
10	Awardees and Non-Awardees With Brothers and Sisters in College . .	39
11	Student Income in Excess of $800 . .	41
12	Income PHEAA Used After Adjustments	43
13	Family Gross Assets	45
14	Applicant's Savings	47
15	Extraordinary Expenses	49
16	Assets PHEAA Used After Adjustments	50
17	Contribution From Income	52
18	Contribution From Assets	53
19	Other Student Income	55
20	Total Family Contribution	56

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List of Tables--Continued

Table Number	Title	Page Number
21	PHEAA Computed Need	58
22	Unmet Financial Need	59
23	1970-1971 Award Amount	60
24	Reason for Rejection for Award . .	61
25	Income Levels and Percentage Receiving Awards: Total Sample	62
26	Income Levels and Percentage Receiving Awards: New Kensington Campus. .	63
27	Income Levels and Percentage Receiving Awards: University Park Sample .	64

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INTRODUCTION

> Very few young men and women have paid their way through an American college and university. Many have been allowed to think that they have, but the truth of the matter is that for a very long time and for very good reasons higher education in the United States has been a major philantrophic endeavor.[1]

To attempt to research and draw conclusions in any area of higher education today, according to some, is to engage in witchcraft; according to others, it is simply naive. Yet nothing in our changing democracy perhaps needs to be investigated more than higher education.

With this need in mind, the writer has explored an extremely viable and important facet of education, the Pennsylvania Higher Education Assistance Agency (PHEAA) scholarship program. This program, even with its very brief history, perhaps typifies the constant changes that have been evidenced in almost every aspect of higher education.

Purpose of the Study

The purpose of this study is to determine the similarities and differences between the awardee and the non-awardee of the Pennsylvania Higher Education Assistance Agency.

After this determination, interpretations of the findings are presented to assist those who may have association with the program. This would include applicants, parents of applicants,

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[1] Frederick Rudolph, "Myths and Realities of Student Aid," College Board Review, Fall 1962, pp. 18-23.

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high school counselors, and financial aid officers in institutions whose students benefit from this worthy program.

A secondary purpose is to compare the scholarship program sponsored by the Commonwealth of Pennsylvania with those of other states offering financial assistance to their residents.

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CHAPTER I

METHOD OF RESEARCH

Statement of the Problem

This study will attempt to determine, on the basis of the data available, the similarities and differences between the awardee and the non-awardee of the Pennsylvania Higher Education Assistance Agency (PHEAA) scholarship program.

In addition, information that should assist parents, students, high school counselors, and college financial aid officers toward a better understanding of the awards procedure utilized by the Pennsylvania Higher Education is presented. Included is:

1. A description of the procedure for determining awards.
2. The development of a simplified procedure which can provide applicants and parents an opportunity to predict their chances of receiving financial aid.
3. The probability of receiving financial assistance with family income at a certain figure.
4. Recommendations, as a result of the comparative analysis, which might increase the equity of the program.
5. A description of why applicants are declared ineligible for financial assistance.

The variables used in this analysis appear on the Pennsylvania Higher Education Assistance Agency (PHEAA) Forms S3BI and S3BA (see Appendices) and include the following:

1. Family Gross Income
2. Income Offset for Working Mother

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3. Number of Dependent Children
4. Income Offset for Other Children in College
5. Student Income
6. Income Used After Adjustments
7. Family Gross Assets
8. Applicant's Savings
9. Extraordinary Expenses
10. Assets Used After Adjustments
11. Contribution From Income
12. Contribution From Assets
13. Other Student Income
14. Total Family Income
15. Computed Financial Need
16. Unmet Financial Need
17. Award Amount
18. Reason for Rejection

Delimitation of This Study

The study is restricted to students enrolled at the main campus and at one of the eighteen Commonwealth Campuses of The Pennsylvania State University. Caution would have to be exercised in generalizing from the results to other institutions who may draw student populations with significantly different financial backgrounds.

Limitations of This Study

1. Research has revealed no previous studies of this nature with which to make comparisons other than Pennsylvania Higher Education Assistance Agency Annual Reports. This may be because of the relative newness of the state scholarship program.

2. The somewhat unique procedure utilized by the Pennsylvania Higher Education Assistance Agency in need determination makes it impossible to compare this procedure with programs in other states. All other states explored with the exception of New

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York make use of the Parents' Confidential Statement. The comparitive study addresses itself to actual programs and not need analysis procedure.

Definitions of Terms Used in This Study

1. Family Gross Income. The amount listed on either line 9 of Internal Revenue Service Form 1040, line 15c of Form 1040A, or anticipated income as shown on the application due to death, disability, or retirement of the principal wage earner or of the withdrawal of the mother from the wage earning group.

2. Income Offset for Working Mother. The allowance of $500 against income deducted for a working mother. This figure is subtracted from family gross income.

3. Income Offset for Other Children in College. The amount that the Agency deducts from family income for the costs of tuition and fees up to $1,500 maximum for each child other than the applicant enrolled in an approved institution of higher learning unless the family income is $15,000 or more. At $15,000 or above, one-half of the tuition and fees up to an allowance of $750 for each student is deducted.

4. Student Income. The amount of student income remaining after an exemption of $800. The amount shown is reduced by student savings and the net student income is added to parental income to see that it falls below the $15,000 maximum income level.

5. Income PHEAA Used After Adjustments. Allowable medical expenses (in excess of those allowed as Federal income

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tax deductions) and an allowance for other dependent children receiving schooling for the handicapped have been deducted from family gross income. The contribution from net worth of a farm or business has been added to the gross income.

6. Family Gross Assets. Family savings, stocks, bonds, home equity, mutual funds, trusts, and other investments.

7. Applicant's Savings. Savings are subtracted from student income after the $800 exemption was deducted. The net student income was then added to parents' income. This amount is also added to parents' assets after the Agency tests the parental net assets to see that it falls below the $30,000 maximum asset level.

8. Extraordinary Expenses. Emergency home repairs, child support payments, and educational loan payments. (The Agency will not allow an amount in excess of $2,500 although the parents may have reported an amount exceeding this figure.)

9. PHEAA Asset Allowance. A standard $10,000 allowance subtracted for all families. If the head of the household was reported as deceased, disabled, or retired, an additional exemption of $10,000 was given for each dependent child.

10. Assets PHEAA Used After Adjustments. After deducting the standard allowance, PHEAA also subtracted reported extraordinary expenses up to $2,500 maximum from family gross assets.

11. Contribution From Income. The amount shown on the PHEAA Parental Contribution Table.

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12. Contribution From Assets. The amount determined from the following table:

$	- $19,999	- 1%
$20,000	- $24,999	- 2% + $200
$25,000	- $29,999	- 3% + $300

13. Other Student Income. Gifts, trust income, dividends from matured insurance and war orphan benefits. The amount is applied with the contribution from income and the contribution from assets to obtain the total family contribution.

14. Total Family Contribution. The amount PHEAA expects from the family for one year toward educational costs of the applicant.

15. PHEAA Educational Costs. An amount determined by the Agency using as a basis the following cost items:

a. Commuting student - tuition and fees were used as the student's educational costs. The New Kensington Campus costs utilized by the Agency was $615. University Park costs were computed as $675. The figures are the tuition costs at the respective campuses.

b. Resident or off-campus housing student - tuition, fees, room and board charges were used in computing this student's educational costs. The figure of $1,710 is utilized in this computation for students in attendance at The Pennsylvania State University, both resident and off-campus. Educational costs for off-campus students at the New Kensington Campus is computed at $1,115. No room and board costs are submitted by the University for students who are living in off-campus housing at the University's Commonwealth Campuses. If no room and board costs were submitted by the institution, PHEAA utilized tuition and fees plus $500 for students indicating resident or off-campus housing.

16. PHEAA Computed Financial Need. The educational costs less the total family contribution.

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17. Unmet Financial Need. The additional need of the student beyond the award granted by PHEAA.

18. 1970-71 Award Amount. The amount of the annual award which cannot exceed 80% of tuition and fees up to an $800 maximum for 1970-71.

Procedure for the Study

This study describes similarities and differences between those who have been awarded grants through the Pennsylvania Higher Education Assistance Agency for the 1970-71 academic year and those who have been denied grants and is ex post facto research. Ex post facto research may be defined as research in which the independent variables have already occured. These independent variables were studied in retrospect for their possible relations to and their effects on the dependent variables, the awarding and non-awarding of scholarship grants. Caution must be exhibited in the interpretation of the findings in ex post facto research since erroneous and misleading interpretations are more likely to occur than in true experimental research where control and manipulation of the independent variables is possible.

In this research, seven hundred and fifty-six of the Pennsylvania Higher Education Assistance Agency Forms S3BA and seven hundred and thirty-three of the Forms S3BI were collected and reviewed to determine what similarities and differences are evident in the awarding and non-awarding of scholarship grants. Forms S3BA and S3BI are the forms submitted to college financial aid officers by the Pennsylvania Higher Education Assistance Agency

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which informs the college or university of the action taken and the data used by the Agency in the evaluation of the candidate's application for scholarship assistance. Form S3BA is the scholarship award notice while Form S3BI is the notice of scholarship ineligibility. Data are obtained by the Pennsylvania Higher Education Assistance Agency from a formal scholarship application submitted by the scholarship candidate. This application requires the signatures of the applicant, the parents or guardians of the applicant and must be accompanied by a copy of the previous year's Federal income tax return and schedules filed by the applicant, his parents or guardians, and the applicant's spouse, if married. The applicant authorizes, by his signature, permission for the Pennsylvania Higher Education Assistance Agency to make public announcement of any award or non-award made, and to provide the post-secondary institution which the applicant attends the financial information utilized by the Agency in determining whether or not the applicant is eligible for scholarship aid. Copies of Forms S3BA, S3BI, and the State Scholarship Application appear in the appendices of this document.

The fourteen hundred and eighty-nine forms used in this analysis involve students enrolled in The Pennsylvania State University during the 1970-71 academic year. Several factors established The Pennsylvania State University as the center for this study. Utilization of the data provided on students enrolled at The Pennsylvania State University involves only three different cost figures whereas an approach utilizing samples which could include awardees and non-awardees enrolled at all approved

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institutions would involve cost figures utilized by the Agency for those institutions. Since the Agency grants awards up to 80% of the costs to a maximum of $800, data generated would have to be related to cost figures for each institution. Another consideration which lead to the decision to make use of data relevant to Pennsylvania State University students was that which is one of the prime considerations of any researcher--availability of the data. As dean of student affairs at the New Kensington Campus of The Pennsylvania State University, all data from the Agency relevant to our student population is submitted to my office. Since the population at the New Kensington Campus is small and further samples were needed to increase the validity of the study, permission was granted by the University to obtain an additional one thousand samples, equally distributed between awardees and non-awardees.

All data needed to obtain a suitable sample was filed alphabetically in the files at the University's Office of Financial Aid so that they might be readily available for reference. In order to approximate a random sample, the twenty-six letters of the alphabet were placed in a box. A sufficient number of letters were drawn to obtain the needed data. Letters N and H provided a total of five hundred sixty-six awardees and five hundred thirty-three non-awardees from the University Park Campus. With these samples, the total sampling involved seven hundred fifty-six awardees and seven hundred thirty-three non-awardees, a total sampling of fourteen hundred and eighty-nine.

The next step in the process involved consultation with Mr. Allen Henry, computer science instructor at The Pennsylvania

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State University New Kensington Campus. With the assistance of Mr. Allen Henry, method of placing the data on IBM punch cards was developed. A skilled keypunch operator was employed to perform this function. After all cards were punched, a run was made to acquire an output of all data which had been punched on to the cards. The total output was verified by hand, errors were corrected, and a second verification by hand was performed to insure accuracy of the data.

After all data was collected and verified, the Pennsylvania Higher Education Assistance Agency Forms S3BA and S3BI were returned and refiled. The data were analyzed by simple use of ranges, percentages and means.

The final step in the process involved the development of the proper programs by the computer science department at The Pennsylvania State University New Kensington Campus. After the programs were developed and verified, the data was processed through the 360/67 computer at the Computation Center of The Pennsylvania State University.

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CHAPTER II

BACKGROUND AND RELATED LITERATURE

Background of Problem

The Pennsylvania Higher Education Assistance Agency (PHEAA) is the Agency charged with the administration of the Commonwealth of Pennsylvania state scholarship program. Eligible students are provided the opportunity to receive scholarship grants at any college of their choice, both within and outside the Commonwealth of Pennsylvania. Also eligible for consideration are students enrolled in such non-degree programs as those provided at trade schools, technical schools, business schools, and hospital schools of nursing.

The Agency has constantly reviewed and revised the program in an effort to make financial assistance available to as many young men and women who might otherwise not have an opportunity to attend an institution of higher education.

Despite the tremendous strides toward imporvement and the obvious success of this state supported program, the Pennsylvania Higher Education Agency (PHEAA) has its share of critics.

We are living in the day and age where "questioning" is in vogue. Perhaps one of the areas subject to the most intense questioning is that area of governmental expenditures. The Pennsylvania Higher Education Assistance Agency (PHEAA) clearly falls within this realm.

The questioning of the expenditures made by our state government through state scholarship awards is somewhat unusual, in that criticism is of an individual, rather than a group nature.

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Perhaps, to put it more simply, the problems appear more personal and are not necessarily common. For example, Mrs. Jones wonders why her son did not receive a state scholarship when Mrs. Smith's son did. Mrs. Jones knows full well that the Smiths make more money, live in a bigger home, own more personal goods, and, in general, live on a much higher economic plane.

Listening to countless Mrs. Joneses during many years as a counselor and student affairs officer responsible for financial aid has developed the writer's sincere interest in researching the Pennsylvania Higher Education Assistance Agency (PHEAA) and its awards procedure.

In summary, then, the state scholarship program administered by the Pennsylvania Higher Education Assistance Agency (PHEAA) has had a somewhat brief, but interesting history. Its aims and purposes have been generally well stated, but perhaps not so well understood. As a very rapidly growing and integral part of the higher education program for so many young men and women, the state scholarship program is constantly under examination, pointing to a need for a clearer understanding of the activity of the Agency by the general public and the students involved.

Is the program meeting the needs of the students as indicated in its goal statements? Are there factors utilized by the Agency in the determination of student financial need that tend to penalize a more thrifty family making application for this aid? Do factors such as student summer work income or student savings greatly affect chances of gaining state aid? Are there such related factors as the simple failure to provide all the information or

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complete the entire application as requested by the Agency that deter the granting of aid to needy students? Who should qualify for financial aid? What purposes are to be served in the program? Are all prospective recipients to be treated alike in regard to the amount of award and/or eligibility to apply?

If parents and students have more information about the probability of obtaining financial assistance, they will be better able to plan post-secondary education. The start of a child's career in higher education is a time when most parents must sharpen their pencils to see how to best balance the expenses against possible sources of income.

If high school counselors can more realistically advise students with regard to their opportunities for state aid, a better counseling situation should result. And, if financial aid officers can better estimate possible financial assistance which will be made available to their students, a more valid plan for their internal financial aid programs could be a reality.

Secondary to the major emphasis of this project is a brief review of the state sponsored scholarship programs throughout the United States. This review has been completed to provide some comparisons with the program in existence within the Commonwealth of Pennsylvania. In addition, opportunities for further research are implied by these comparisons. Boyd, in his comparative study in 1969, alluded to the need to answer many relevant questions. According to Boyd, each of the states has to examine what role their programs of financial aid should serve. The rapid and recent expansion of specialized non-competitive programs at the state level

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are new responses for new purposes. The basic questions to be faced are:

1. Should there be investments in students without financial need?

2. Should there be investments in students who without assistance would attend no college?

3. Should there be investments in students to attend the college of their choice who need assistance to attend that of their choice, but who could have financially afforded a less expensive choice?

4. Are the economic interests of the state served best in diverting students from attending public to attending non-public institutions?

5. Should the measured academic potential or past record of the applicant give him a priority in financial aid consideration?

6. Should the degree of financial need give an applicant a priority in financial aid consideration?

7. Does true freedom of choice mean that out-of-state as well as in state college choices qualify for gift assistance?

8. Does a post-secondary institution (specialized and/or for profit) offering training for a job future not available elsewhere qualify to have its needy students receive gift assistance?

9. Do part-time students have financial need? If so, what different treatment is needed in relationship to full-time students?

10. Are too many programs confusing? For good communications of opportunity, do we not need one central program serving all the citizens of a state demonstrating financial need to attend their appropriate post-secondary institution?[2]

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[2]Joseph D. Boyd, "An Examination of State Efforts in Removing Financial Barriers to Post-secondary Education," August 15, 1969, pp. 1.

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Survey of Related Literature

The role of the state in public services has been evident for centuries. Through its organization and its coercive power the state assures internal and external peace, thus laying the absolute basic condition for the attainment of human ends. Such is its protective function. The state exercises its promotive function by supplying the help and direction and individual needs for the achievement of his purpose.[3]

Under the Roman Empire, education was made an affair of the state. During the Middle Ages, the church came to be regarded as the chief, if not the only, educator. This trend was somewhat shaken by the religious disturbances which preceded the founding of the American colonies, but its continued ascendancy is variously shown in our colonial systems of education. Yet we find in those systems a larger admixture of civil agency than was common in European countries at the same period.[4] The influence of the state is possibly at its peak in present day education. One of the prime examples of state influence is the state scholarship programs currently in existence today.

With the steady advance of state controls, the legal independence of higher education in many of the states now stands in serious danger of erosion. Traditionally, the law has assigned explicit responsibility for the management of higher education to

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[3]Thomas Dubay, Philosophy of the State as Educator, (Milwaukee: Bruce Publishing Company, 1959), pp. 220.

[4]Alexis F. Lange, Education, (Berkeley: University of California Press, 1903-1913), pp. 1.

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independent lay governing boards. As the courts have repeatedly affirmed, this means that these boards are accountable to the state for the success or failure of higher education.[5]

Literature review reveals little research relevant to the development of state supported scholarships and no research related to the focus of this project--the Pennsylvania Higher Education Assistance Agency (PHEAA).

The State Scholarship Committee of Wisconsin submitted to the Wisconsin Legislature in January, 1959, a report upon problems and practices in granting college scholarships. The report centered primarily upon a survey of the need for such a program and several interesting purposes for the development of a state scholarship program were presented to the legislature. Included were the following:

1. To extend educational opportunities to deserving and needy students, particularly those who live in areas where college opportunities are absent or relatively inaccessible.

2. To recruit persons for training in technical fields, occupations, or professions in which there are special needs.

3. To assume fuller educational development and training of the state's most talented and promising youth.

4. To ease the enrollment load of public colleges by providing scholarships to students who wish to attend private colleges.[6]

The committee was explicit in pointing out that one or more of these

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[5]Malcolm Moos and Francis E. Rourke, The Campus and the State, (Baltimore: The John Hopkins Press, 1959), pp. 4.

[6]State Scholarship Committee, College Scholarships in Wisconsin, (Madison University of Wisconsin Press, 1959), pp. 36.

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purposes was found in existing state programs of student financial assistance.

The major findings of the State Scholarship Committee of Wisconsin implied that the scope of the program should be small and selective, rather than broad and extensive. It was the concensus of the committee that if fewer scholarships with larger stipends were made available, they would assist students who normally would not be able to attend college. Broad scholarships with smaller individual stipends would also substantially increase student enrollment. This, in turn, would require comparable increase in operating funds of the institutions to maintain quality of instruction. A further recommendation encouraged the provision of cash stipends to students. The argument for this is that it would spread the enrollment more evenly among all of the colleges and universities in the state.[7]

A report on a scholarship program for students of limited means sponsored in New Mexico by the Fund for the Advancement of Education presented a somewhat contrasting conclusion. This study revealed that the chief barrier to college enrollment--at least, in New Mexico--apparently is not a financial one. Rather, the handicap seemed to be cultural--a lack of orientation toward higher education.[8] The validity of this study no doubt has significantly diminished over the past fifteen years. The New Mexico study culminated in the middle 1950's.

A study by the Office of Institutional Studies at the University of Massachusetts revealed that, in 1961, more than half of the

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[7] Ibid., p. 37.

[8] Sherman E. Smith, Howard V. Methany, and Merle M. Melfs, Are Scholarships the Answer? (Sante Fe: University of New Mexico Press, 1960), pp. 88.

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one thousand parents of freshmen enrolled at the University had to make special efforts to finance the educational expenses.[9]

A staff study prepared for the Michigan Legislative Study Committee on Higher Education in May, 1958, concluded, on the basis of its data and of the increased costs of college attendance, that evidence identified financial inadequacy as a prime factor in keeping academically promising students from attending college.[10]

Robert D. Calkins contends that the financing of higher education may be one of our greatest problems in the years ahead. He insists that to invest in education even at greater cost to the public may be the only safe course for the nation to follow.[11]

M. M. Chambers believes that scholarship recipients, chosen on a highly competitive basis, are quite likely to be persons who would have attended college anyway. The scholarships merely enable them to attend high-fee colleges, thus having relatively little effect in getting able people into college who would not otherwise be there. Thus the main thrust of the program for the use of public funds, according to Chambers, may be toward a mere reshuffling of students and indirect subsidies into the high-fee public colleges, rather than toward encouraging additional able students, who would

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[9]David P. Lawrence, et al., Parents Ability to Meet College Costs at the University of Massachusetts, (Amhurst: Student Personnel Services Committee on Financial Aid, 1962, pp. 18.

[10]John X. Jamrich, Financial Assistance to Students in Michigan Institutions of Higher Education, (East Lansing: Michigan Legislative Study Committee, 1958), pp. 96.

[11]Dexteer M. Keezer, Financing Higher Education, 1960-1970, (New York: McGraw-Hill, 1959), pp. 203.

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otherwise be deprived of a college education, to attend low-fee or tuition-free institutions of good quality.[12]

Historical Background of PHEAA

A Joint State Government Commission was authorized by House Resolution Number 107, Session of 1957, to submit to the General Assembly of the Commonwealth of Pennsylvania by January 1, 1959, its findings and recommendations regarding the problems of higher education in the Commonwealth of Pennsylvania.[13] Among its many recommendations, the Commission proposed that the Commonwealth should increase direct support.[14]

The General Assembly of the Commonwealth of Pennsylvania created the Pennsylvania Higher Education Assistance Agency by the passage of Act 290, signed into law on the 7th day of August, 1963, by Governor William W. Scranton.

The purpose of the Agency was to improve the higher educational opportunities of persons residing within the Commonwealth of Pennsylvania who were attending approved institutions of higher education in Pennsylvania and elsewhere by lending funds to such persons to assist them in meeting their expenses for higher education in accordance with the provisions of the act.[15] The sum of

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[12] M. M. Chambers, Financing Higher Education, (New York: Center for Applied Research to Education, Inc., 1963), pp. 64.

[13] Pennsylvania General Assembly, Joint State Government Commission Advisory Panel, Higher Education in Pennsylvania, (Pittsburgh: University of Pittsburgh Press, 1959), pp. 1.

[14] Ibid., p. 37.

[15] General Assembly of the Commonwealth of Pennsylvania, Act 290, August 7, 1968, p. 1.

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$425,000 was appropriated to be held as a reserve to guarantee payment of possible losses for loans guaranteed under the provisions of the act.[16] In addition, $75,000 was appropriated to the Agency for the payment of expenses in carrying out the provisions of the act.[17]

On January 25, 1966, Governor Scranton signed into law Act 541 which created the scholarship program of the Pennsylvania Higher Education Assistance Agency. It was the philosophy of the General Assembly that the Commonwealth of Pennsylvania could achieve its full economic and social potential only if every individual was given the opportunity to contribute to the full extent of his capabilities and only when the financial barriers to his economic, social and educational goals were removed. The purpose of the act, therefore, was to establish a broad scale state scholarship program designed to guarantee that the most able students from all sectors of the Commonwealth, the most needy students, and students who had the capability to successfully complete post-secondary educational programs would be given the opportunity to continue their program of self-improvement in an institution of higher learning of their choice.[18]

Four million dollars was appropriated to the Agency with the stipulation that up to five per cent could be used to pay the costs of administering the scholarship program.[19] Scholarships

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[16] Ibid., p. 4.

[17] Ibid.

[18] General Assembly of the Commonwealth of Pennsylvania, Act 541, January 25, 1966, p. 1.

[19] Ibid., p. 5.

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were to be based on financial need with the maximum award to be $1200 per academic year.[20] Act 541 defined financial need to mean the need of the student as determined by the Pennsylvania Higher Education Assistance Agency or by the standards and tests of financial need approved by the Agency.[21] The act further stipulated that the selection of awardees was at the "sole discretion" of the Agency.[22]

The Pennsylvania Higher Education Assistance Agency established three main groups or types of awards. Group I awards were made to needy students who were among the 5,000 who scored highest in the Scholastic Aptitude Test (SAT) of the College Entrance Examination Board. Group II awards were made available to needy students with Scholastic Aptitude Test (SAT) scores of at least 800 (combined Verbal-Mathematics), or to students attending trade, technical, business and nursing schools in courses that offered at least 1800 clock hours of instruction on a full-time basis, required a high school diploma for admission, and offered a course approved by the Pennsylvania Higher Education Assistance Agency. Group III awards were made to college freshmen who had been out of high school for at least one year and to upperclassmen presently attending college. Initially, the program was established to include high school

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[20] Ibid., p. 6.

[21] Ibid., p. 2.

[22] Ibid., p. 4.

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graduates from the years 1965, 1966 and 1967. There were minor variations in the procedures within the three award groups.[23]

When the General Assembly enacted the scholarship program in January, 1966, the Pennsylvania Higher Education Assistance Agency had a total of ten employees devoting the major portion of their time to the administration of the loan program which had been in operation since August, 1963. Despite the small staff, the Agency disbursed $2,200,000 in scholarship awards to 6,500 students within the next four months.[24] The scholarship program continued to grow at an extremely rapid pace. The 1966-1967 academic year produced 17,444 scholarship grants totaling $12,600,000.[25] To fund the 1967-1968 academic year, the General Assembly, on October 5, 1967, appropriated $31,500,000, more than doubling the amount of the previous year. This appropriation facilitated the granting of 37,600 awards.[26] The 1968-1969 figure increased to $46,500,000 with 66,405 scholarship recipients.[27] The 1969-1970 allocation reached $51,400,000 which was awarded to approximately 88,000.[28]

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[23]Commonwealth of Pennsylvania, Pennsylvania Higher Education Assistance Agency, Undergraduate Scholarships for the 1965-1966, 1966-1967, and 1967-1968 Academic Years, January, 1966, pp. 2-5.

[24]Commonwealth of Pennsylvania, House Appropriations Committee, Budget Hearings on Appropriations for the Pennsylvania Higher Education Assistance Agency for 1969-70, March 13, 1969, p. 2.

[25]Ibid.

[26]Ibid.

[27]Ibid.

[28]Commonwealth of Pennsylvania, Pennsylvania Higher Education Assistance Agency, Rules and Regulations, February 27, 1969, p. 1.

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A major procedural change occured in 1968-1969 when line 9 of the Internal Revenue Service Form 1040 was utilized rather than line 11b in the determination of financial need. Deductions such as interest charges more commonly claimed by higher income families were thereby eliminated.[29] The Agency also liberalized treatment of savings of students planning to help themselves through school. In addition, students from families with gross income exceeding $15,000 annually or net assets in excess of $30,000 were made ineligible for scholarship aid.[30]

With one exception, the Agency was given "sole discretion" in determining policy and in making awards to students. This notable exception was contained in House Bill 171, an amendment made to Act 541, written into law June 10, 1969. This additional section of Act 541 denied any form of financial assistance to students:

> . . .convicted of a criminal offense which would constitute a misdemeanor involving moral turpitude or a felony; or to students who were expelled, dismissed, or denied enrollment for refusal to obey a lawful regulation or order of the institution which refusal, in the opinion of the institution, contributed to a disruption of the activities, administration or classes of the institution; or to students who in the course of disturbing interfered with or prevented the orderly conduct of activities, administration, or classes.[31]

This same bill also compelled all institutions of higher education to furnish the Pennsylvania Higher Education Assistance

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[29] Commonwealth of Pennsylvania, House Appropriations Committee, Budget Hearings on Appropriations for the Pennsylvania Higher Education Assistance Agency for 1969-70, March 13, 1969, p. 3.

[30] Ibid., p. 4.

[31] General Assembly of the Commonwealth of Pennsylvania, House Bill 171, June 10, 1969, pp. 6-7.

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Agency the names and addresses of all residents of the Commonwealth of Pennsylvania when they are expelled, dismissed, or denied enrollment for the reasons stated above. The Bill further stipulates that any institution of higher learning which refuses to provide this information will be denied the status of an approved institution under the provisions of the Act.[32]

The constitutionality of House Bill 171 is now being tested in the federal courts by Haverford College of Haverford, Pennsylvania, Goddard College of Plainfield, Vermont, and twelve Pennsylvania students attending schools in several states. In July, 1971, a three judge federal court ruled House Bill 171 as unconstitutional. The basis of the court decision centered around the vagueness of such terms as "moral turpitude" and "contributing to campus disruptions." It is anticipated that the Commonwealth will appeal this decision.

Need for This Study

Students attending the Pennsylvania State University have greatly benefited from the state scholarship program administered by the Pennsylvania Higher Education Assistance Agency. In 1966-1967, 2075 students in attendance at Penn State received awards totalling $1,303,492.[33] In 1967-1968, 4,700 students were granted aid in the amount of $2,986,474.[34] The 1968-1969 state scholarship awards

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[32] Ibid., p. 8.

[33] Ralph N. Krecker, The Pennsylvania State University Office of Student Aid Annual Report 1967-1968, August 1, 1968, p. 1.

[34] Ibid.

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amounted to $4,957,000 and were provided to 8,415 students.[35] This figure jumped to $6,017,896 in 1969-1970, with awards presented to 12,215 students.[36] This 1969-1970 figure perhaps becomes even more significant when one considers that the 12,215 students in receipt of state scholarship awards represent over 30% of the entire student body. The above figures strongly suggest that there is need for study of this program.

Following are some of the basic reasons that this study has been initiated:

1. There is a need for clearer understanding of the program by all those who are or will be associated with it.

2. There is a need to know just what are the distinguishing similarities and differences between awardees and non-awardees.

3. There is a need to have clearer discriptive information concerning the program.

4. There is a need to examine the question is the award system an equitable one?

5. There is a need to ascertain if the goals set by the Pennsylvania Higher Education Assistance Agency are being met.

6. There is a need to have an understanding as to the probability one has of receiving financial aid.

7. There is a need for counselors to have more relevant data with regard to the program.

8. There is a need for financial aid officers to have more concrete information to assist

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[35]Ralph N. Krecker, The Pennsylvania State University Office of Student Aid Annual Report 1968-1969, July 15, 1969, p. 1.

[36]Ralph N. Krecker, The Pennsylvania State University Office of Student Aid Annual Report 1969-1970, July 22, 1970, p. 1.

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them in anticipating who their awardees might be.

9. A basic understanding of state sponsored financial aid programs throughout our nation will assist in placing the Pennsylvania Higher Education Agency in proper prospective.

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CHAPTER III

THE DATA AND FINDINGS

This research examines seven hundred and fifty-six students who were recipients of state scholarships provided by the Pennsylvania Higher Education Assistance Agency for 1970-71 and seven hundred and thirty-three students who were rejected for awards by the Agency for the same academic year. The students in this sample of fourteen hundred and eighty-nine were enrolled at both the Pennsylvania State University, University Park Campus and New Kensington Campus during the 1970-71 academic year. The data used in the study was obtained from Forms S3BA and S3BI which were submitted to the University by the Pennsylvania Higher Education Assistance Agency.

A total of one hundred ninety-six of the Form S3BI were not tabulated in their entirety by the Agency. Whenever information was received by the Agency which automatically eliminated the applicant for consideration for a scholarship grant, other data received from the applicant became irrelevant.

Following is a breakdown of these one hundred ninety-six incomplete forms, indicating reason for the ineligibility of the applicant:

Income in Excess of Limits	127
Assets in Excess of Limits	27
Non-resident of Commonwealth of Pennsylvania	1
Graduate Student	2
Illegal Full-Time Use of Car	12

One hundred sixty-nine of these were students from the University Park Campus of The Pennsylvania State University. The remaining twenty-seven were students in attendance at the New Kensington Campus.

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All incomplete data were excluded in the statistical analysis. This is the reason that a different sample is utilized in the analysis of each of the variables under study involving the non-awardees. For example, six hundred seventy-one non-awardees are included in the sample in Table 7. Five hundred thirty-seven subjects are included in Table 8. All seven hundred thirty-three subjects are included in Table 24.

The Pennsylvania Higher Education Assistance Agency scholarship award cannot exceed 80% of tuition and fees up to an $800 maximum. Students enrolled at the University Park Campus of The Pennsylvania State University were eligible to receive a maximum award of $540 in 1970-71. Educational costs utilized by the

TABLE 1

GROSS FAMILY INCOME--ALL PHEAA AWARDEES

Income Range	Number	Per cent of Total*
$14,000 - $15,000	1	0.1
13,000 - 14,000	13	2
12,000 - 13,000	28	4
11,000 - 12,000	58	8
10,000 - 11,000	66	9
9,000 - 10,000	98	12
8,000 - 9,000	105	15
7,000 - 8,000	98	12
6,000 - 7,000	68	10
5,000 - 6,000	53	7
4,000 - 5,000	42	6
3,000 - 4,000	32	4
2,000 - 3,000	24	3
1,000 - 2,000	21	3
less than 1,000	15	2
Total	722	

*Total may not be 100% due to rounding procedure.

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Agency in their need analysis was $1,710 for resident students and students living in off-campus housing, and $675 for commuting students. Cost utilized for New Kensington Campus students was $615 which, in turn, provided a maximum award of $492.

Table 1 illustrates the ranges of the family gross income of the 722 awardees surveyed. Tables 2 and 3 breakdown the gross income at the University Park Campus and New Kensington Campus respectively. Higher income levels are in evidence at the University Park Campus where both educational costs and need analysis are significantly higher.

TABLE 2

GROSS FAMILY INCOME--UNIVERSITY PARK AWARDEES

Income Range	Number	Per cent of Total*
$14,000 - $15,000	1	0.2
13,000 - 14,000	13	2
12,000 - 13,000	28	5
11,000 - 12,000	52	10
10,000 - 11,000	58	11
9,000 - 10,000	78	15
8,000 - 9,000	64	12
7,000 - 8,000	67	13
6,000 - 7,000	40	8
5,000 - 6,000	39	7
4,000 - 5,000	28	5
3,000 - 4,000	23	4
2,000 - 3,000	14	3
1,000 - 2,000	15	3
less than 1,000	13	2
Total	533	

*Total may not be 100% due to rounding procedure.

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TABLE 3

GROSS FAMILY INCOME--NEW KENSINGTON AWARDEES

Income Range	Number	Per cent of Total*
$12,000 - $13,000	1	0.5
11,000 - 12,000	6	3
10,000 - 11,000	7	4
9,000 - 10,000	20	11
8,000 - 9,000	41	22
7,000 - 8,000	31	16
6,000 - 7,000	28	15
5,000 - 6,000	14	7
4,000 - 5,000	14	7
3,000 - 4,000	9	5
2,000 - 3,000	10	5
1,000 - 2,000	6	3
less than 1,000	2	1
Total	189	

*Total may not be 100% due to rounding procedure.

Table 4 breaks down the levels of income for the 671 students surveyed who did not receive financial assistance. A comparison with Table 1 provides evidence that the gross income level is a significant factor in the need analysis procedure utilized by the Pennsylvania Higher Education Assistance Agency. Tables 5 and 6 further examine the gross family income separately at the University Park and New Kensington campuses. Again, in comparison with Tables 2 and 3, higher levels of income are displayed by the non-awardees.

It is interesting to note the extremely high percentage of incomes in excess of $15,000 (24%). Applicants with gross family income in excess of $15,000 do not qualify for state awards. One could speculate that eligibility requirements are not generally understood by those filing formal application. The considerable

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difference in applicants income in excess of $15,000 between the University Park and New Kensington Campuses (30% and 7%) leaves room for further speculation. With total educational costs higher at the University Park Campus, it would be expected that applicants from higher income families would be in evidence. A possible further explanation could be in the size of the two campuses. At University Park, approximately 25,000 students are enrolled. Approximately 700 students are enrolled at New Kensington. Extremely large university campuses experience difficulty in communications. Although the University Park Campus provides an outstanding financial aid service to its students, the small, more intimate New Kensington situation is afforded much easier avenues of communication.

TABLE 4

GROSS FAMILY INCOME--ALL PHEAA NON-AWARDEES

Income Range	Number	Per cent of Total*
Over $15,000	160	24
$14,000 - 15,000	108	16
13,000 - 14,000	114	17
12,000 - 13,000	98	15
11,000 - 12,000	61	9
10,000 - 11,000	46	7
9,000 - 10,000	40	6
8,000 - 9,000	25	4
7,000 - 8,000	9	1
6,000 - 7,000	3	0.4
5,000 - 6,000	4	0.6
4,000 - 5,000	0	0
3,000 - 4,000	2	0.3
2,000 - 3,000	0	0
1,000 - 2,000	1	0.1
less than 1,000	0	0
Total	671	

*Total may not be 100% due to rounding procedure.

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TABLE 5

GROSS FAMILY INCOME--UNIVERSITY PARK NON-AWARDEES

Income Range	Number	Per cent of Total*
Over $15,000	148	30
$14,000 - 15,000	99	20
13,000 - 14,000	105	21
12,000 - 13,000	75	15
11,000 - 12,000	34	7
10,000 - 11,000	13	3
9,000 - 10,000	7	1
8,000 - 9,000	4	1
7,000 - 8,000	3	1
6,000 - 7,000	0	0
5,000 - 6,000	2	0.4
4,000 - 5,000	0	0
3,000 - 4,000	2	0.4
2,000 - 3,000	0	0
1,000 - 2,000	0	0
less than 1,000	0	0
Total	492	

*Total may not be 100% due to rounding procedure.

TABLE 6

GROSS FAMILY INCOME--NEW KENSINGTON NON-AWARDEES

Income Range	Number	Per cent of Total*
Over $15,000	12	7
$14,000 - 15,000	9	5
13,000 - 14,000	9	5
12,000 - 13,000	23	13
11,000 - 12,000	27	15
10,000 - 11,000	33	18
9,000 - 10,000	33	18
8,000 - 9,000	21	12
7,000 - 8,000	6	3
6,000 - 7,000	3	2
5,000 - 6,000	2	1
4,000 - 5,000	0	0
3,000 - 4,000	0	0
2,000 - 3,000	0	0
1,000 - 2,000	1	0.6
less than 1,000	0	0
Total	179	

*Total may not be 100% due to rounding procedure.

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Table 7 further compares gross family income of awardees and non-awardees. The importance of gross family income as a factor in the need analysis procedure can be seen in the comparison of these figures between awardees and non-awardees. Some explanation of the low and high figures in Table 7 is in order. The awardee with a gross family income of $14,888 was granted a full $540 scholarship at the University Park Campus. In the need analysis, this student indicated that both parents were employed, three other children were in the family, one other child was enrolled in college, and only $9,000 in assets were claimed. This student would have received no aid had he enrolled at the New Kensington Campus.

The non-awardee at the New Kensington Campus with a gross family income of only $1,867 claimed assets totalling $28,294, $1,300 in savings, and $1,386 in other student income. This student would have received a full $540 scholarship had he enrolled at the University Park Campus.

Table 8 provides information relevant to working mothers. The Pennsylvania Higher Education Assistance Agency provides an allowance (to be subtracted from gross income) of $500 for a working mother. It is of interest to note that 28% of both awardees and non-awardees at the New Kensington Campus indicated a working mother. Again, similarities are evidenced in the sample of all awardees (39%) and all non-awardees (41%). A slight difference appearing in Table 8 is that 47% of the University Park non-awardees sampled indicated a working mother while only 41% of the awardees sampled had working mothers. One might conclude from

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TABLE 7

A COMPARISON OF GROSS FAMILY INCOME

	All Awardees Sampled	New Kensington Campus Awardees	University Park Awardees	All Non-Awardees Sampled	New Kensington Campus Non-Awardees	University Park Non-Awardees
Mean	$ 7,807.46	$ 7,161.79	$ 8,067.11	$13,464.07	$11,025.35	$14,351.33
Lowest Amount	0	0	0	$ 1,867.00	$ 1,867.00	$ 3,194.00
Highest Amount	$14,888.00	$13,217.00	$14,888.00	$35,864.00	$20,642.00	$35,864.00
Total Sample	722	189	533	671	179	492

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TABLE 8

COMPARING AWARDEES AND NON-AWARDEES WITH BOTH WORKING PARENTS

	All Awardees Sampled	New Kensington Campus Awardees	University Park Awardees	All Non-Awardees Sampled	New Kensington Campus Non-Awardees	University Park Non-Awardees
Per cent of Applicants With Mother Working	39%	28%	41%	41%	28%	47%
Total Sample	722	189	533	537	169	368

this that a greater percentage of the non-awardees are from families where the father makes a relatively low income. Although the income of one parent is low, the combined incomes raises the family income to the point where the need analysis indicates no aid is necessary.

Table 9 has no significance in the need analysis procedure used by the Pennsylvania Higher Education Assistance Agency. In the 1969-70 need analysis procedure, an allowance of $500 was granted if there was a dependent child under 13 years of age in the family of the applicant. This provision was eliminated in the 1970-71 analysis.

The Pennsylvania Higher Education Assistance Agency permits a deduction from gross family income the costs of tuition and fees for children other than the applicant enrolled in higher education. These costs may not exceed $1,500 for each child. If gross family income is in excess of $15,000, only one-half of tuition and fees up to $750 for each student is deducted.

Table 10 illustrates that 32% of the awardees sampled had others in their family attending institutions of higher learning approved by the Agency as compared with 28% of the non-awardees. This 4% difference expanded to 7% in comparing New Kensington Campus awardees and non-awardees. No non-awardees sampled indicated more than one other enrolled in higher education although 2.3 of the 722 awardees indicated others were in attendance in higher education.

Scholarship applicants are permitted to earn $800 before any of their income is added to gross family income. If the

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TABLE 9

NUMBER OF DEPENDENT CHILDREN

	All Awardees Sampled	New Kensington Campus Awardees	University Park Awardees	All Non-Awardees Sampled	New Kensington Campus Non-Awardees	University Park Non-Awardees
Mean	2.91	3.35	2.72	2.58	2.64	2.56
Fewest Dependent Children	1	1	1	1	1	1
Most Dependent Children	12	12	9	11	11	6
Total Sample	722	189	533	537	169	368

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TABLE 10

AWARDEES AND NON-AWARDEES WITH BROTHERS AND SISTERS IN COLLEGE

	All Awardees Sampled	New Kensington Campus Awardees	University Park Awardees	All Non-Awardees Sampled	New Kensington Campus Non-Awardees	University Park Non-Awardees
Per cent of Applicants With a Brother or Sister in College	32%	29%	33%	28%	22%	30%
Per cent of Applicants With More Than One Brother and /or Sister in College	2.3%	2%	2.4%	0	0	0
Total Sample	722	189	533	671	179	492

applicant indicates on his application that he has savings, these savings are deducted from the student income. The balance (student income in excess of $800 less student savings, if any) is added to gross income.

Table 11 displays a similarity between all awardees and non-awardees sampled. In the sample, 40% of the awardees and 39% of the non-awardees earned income in 1969. A somewhat interesting statistic is evident in Table 11 in that 84% of New Kensington awardees and 75% of New Kensington non-awardees reported no income or income totalling less than $800 in 1969. Since New Kensington Campus students come from lower income families, one could speculate that it might necessitate that they work to assist in financing their education. In addition, New Kensington Campus students commute to college and, for the most part, live at home where the job opportunities are known to them and might be easier to obtain. Conversely, students enrolled at the University Park Campus appear to come from higher income families which could lessen the need to work. Also, living on campus in a large university should deter the opportunity to gain employment other than perhaps part-time employment which could result in annual earnings of less than $800. Table 11 illustrates the exact opposite of this rationale. The most logical explanation must be attributed to the higher University Park costs which force the students to gain employment to assist with their financial obligations.

With the $800 exemption allowance permitted by the Agency, the figures in Table 11 are not true figures in distinguishing exactly what percentage of students earned income in 1969. To be

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TABLE 11

STUDENT INCOME IN EXCESS OF $800

	All Awardees Sampled	New Kensington Campus Awardees	University Park Awardees	All Non-Awardees Sampled	New Kensington Campus Non-Awardees	University Park Non-Awardees
Mean	$300.69	$135.51	$367.92	$405.49	$333.04	$438.76
Per cent of Students With Earned Income Exceeding $800	40%	16%	48%	39%	25%	45%
Per cent of Students With No Income or Income Less Than $800	60%	84%	52%	61%	75%	55%
Lowest Income	$5.00	$69.00	$5.00	$2.00	$25.00	$2.00
Highest Income	$7,709.00	$2,201.00	$7,709.00	$6,400.00	$6,400.00	$5,200.00
Total Sample	722	189	533	537	169	368

completely accurate, it must be stated that between 40% and 100% of all awardees sampled earned income in 1969, and between 39% and 100% of the non-awardees were also in that category.

The awardee with the Agency student income figure of $7,709 in actuality earned $8,509 in 1969. This awardee, incidentally, was a married student, financially independent (with no gross family income), claiming $4,300 in gross assets, and commuting to the University Park Campus. He received a full $540 scholarship and would have received a full $492 scholarship if he were enrolled at the New Kensington Campus.

Table 12 provides figures that are used by the Pennsylvania Higher Education Assistance Agency in relation to their Parental Contribution Table. The Parental Contribution Table is reviewed more extensively later in this chapter. Looking at this figure as simply as possible, it is the gross family income less the $500 allowance if the mother is employed, less tuition and fees up to $1,500 for each child other than the applicant in approved higher education, plus the student income (less savings) in excess of $800. There are other factors that adjust this figure in some cases. These cases are the exception rather than the rule, and include medical expenses in excess of those allowed as federal income tax deductions, educational allowances for handicapped children, and net worth from a farm or business.

The figures in Table 12, even to a greater extent than the statistics in Table 7 comparing gross family income, clearly distinguish a wide differential between the awardee and non-awardee.

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TABLE 12

INCOME PHEAA USED AFTER ADJUSTMENTS

	All Awardees Sampled	New Kensington Campus Awardees	University Park Awardees	All Non-Awardees Sampled	New Kensington Campus Non-Awardees	University Park Non-Awardees
Mean	$7,558.01	$6,804.22	$7,859.78	$13,396.21	$11,071.80	$14,241.89
Lowest Amount	0	0	0	$ 1,867.00	$ 1,867.00	$ 2,019.00
Highest Amount	$14,303.00	$14,303.00	$13,168.00	$34,964.00	$20,642.00	$34,964.00
Total Sample	722	189	533	671	179	492

Family Gross Assets, according to the Agency, includes family savings, stocks, bonds, home equity, mutual funds, trusts, and other investments. Family Gross Assets, after their treatment using other variables which are described in tables to follow, can not exceed $30,000 for an applicant to be considered for an award. Table 13 illustrates that gross family assets of non-awardees, on the average, were approximately 50% higher than those of the awardee. Family Gross Assets were slightly higher for both awardees and non-awardees at the University Park Campus than the applicants enrolled at the New Kensington Campus. This would be expected since gross income was also higher for applicants from the University Park Campus.

The awardee indicating family gross assets totalling $59,581 submitted $7,000 as family gross income for 1969, was from a family of two children, received a $30,000 allowance-deduction since the head of the household was deceased, earned $376 in excess of the $800 student income allowance, and had savings totalling $25. He received a full $540 scholarship at the University Park Campus. He would have been rejected for an award at the New Kensington Campus.

The awardee enrolled at the New Kensington Campus who filed his application with Family Gross Assets totalling $45,000 also came from a family with the head of the household deceased. Family Gross Income totalled $8,000 in this case, and the applicant claimed savings of $523. This student received scholarship aid in the amount of $192 which is $300 less than a total need grant at the New Kensington Campus.

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TABLE 13

FAMILY GROSS ASSETS

	All Awardees Sampled	New Kensington Campus Awardees	University Park Awardees	All Non-Awardees Sampled	New Kensington Campus Non-Awardees	University Park Non-Awardees
Mean	$10,442.23	$ 9,899.92	$10,659.98	$15,569.93	$13,048.95	$16,668.48
Lowest Amount	0	0	0	0	0	0
Highest Amount	$59,581.00	$45,000.00	$59,581.00	$95,000.00	$50,574.00	$95,000.00
Total Sample	722	189	533	570	173	397

Table 14 reveals that over two-thirds of the twelve hundred sixty students surveyed indicated some savings on their application. Similarity rather than difference best describes the comparison of awardees and non-awardees relevant to their savings. The most significant difference in student savings appears in comparing the percentage of New Kensington Campus awardees and non-awardees. The average savings were approximately $50 higher in the cases of non-awardees sampled than awardees sampled. Student savings is subtracted from student income (after the $800 exemption is taken) with the net income added to gross income and included in the income the Agency used after adjustments. To total student savings is also added to net family assets to be certain the total does not exceed the $30,000 maximum asset level.

The awardee from the University Park Campus who filed savings of $7,000 was one of four dependent children from a family who claimed $12,084 gross income and $33,700 in gross assets. He had a brother or sister also in college. His parents were expected to contribute $1,207 toward his education and the Agency granted him $502 in scholarship aid. This student would have received no assistance had he been enrolled at the New Kensington Campus.

The New Kensington Campus awardee with $3,965 in savings comes from a family with a working mother and a deceased head of household. Only $5,119 in gross income was filed although $44,000 in gross assets were filed. This student received $436 in scholarship aid and would have been granted a $540 scholarship at the University Park Campus.

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TABLE 14

APPLICANT'S SAVINGS

	All Awardees Sampled	New Kensington Campus Awardees	University Park Awardees	All Non-Awardees Sampled	New Kensington Campus Non-Awardees	University Park Non-Awardees
Per cent of Applicants With Savings	66	53	71	69	66	71
Per cent of Applicants Without Savings	34	47	29	31	34	29
Highest Amount of Savings	$7,000.00	$3,965.00	$7,000.00	$5,300.00	$3,105.00	$5,300.00
Lowest Amount of Savings	$1.00	$2.00	$2.00	$1.00	$1.00	$1.00
Mean	$242.49	$195.73	$261.11	$293.47	$246.02	$315.20
Total Sample	722	189	533	538	169	369

Extraordinary Expenses, according to the Pennsylvania Higher Education Assistance Agency, includes emergency home repairs, child support payments and educational loan payments. In the 1970-71 need analysis computation, a maximum allowance of $2,500 was permissable. Prior to that, the Agency permitted $5,000 in deductions if gross assets were less than $30,000 and $2,500 if gross assets exceeded the $30,000 figure.

As indicated by Table 15, approximately 80% of both awardees and non-awardees made no claims for extraordinary expenses and, therefore, this variable was a factor in only two of every ten applications. In addition, less than one per cent of all applicants claimed the maximum $2,500 allowance.

Table 16 further substantiates that the procedure utilized by the Pennsylvania Higher Education Assistance Agency in their need analysis procedure is equitable. Although one might question the procedure employed by the Agency, the procedure unquestionably awards those of significantly less net assets than those who are rejected for financial assistance. In the sample of twelve hundred and ninety-two in the total survey, net assets of awardees were approximately two-thirds lower than net assets of the non-awardees.

This figure arrived at by the Agency is the combination of family gross assets plus student savings, less extraordinary expenses and the asset allowance. The asset allowance is a standard $10,000 for all families unless the head of the household is deceased, disabled, or retired. In these atypical cases, an additional exemption of $10,000 for each dependent child is permitted.

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TABLE 15

EXTRAORDINARY EXPENSES

	All Awardees Sampled	New Kensington Campus Awardees	University Park Awardees	All Non-Awardees Sampled	New Kensington Campus Non-Awardees	University Park Non-Awardees
Per cent of Applicants With Extra-Ordinary Expenses	20%	17%	21%	21%	17%	22%
Per cent of Applicants With No Extraordinary Expenses	80%	83%	79%	79%	83%	78%
Per cent of Those With Extraordinary Expenses Claiming Maximum Deduction	.4	0	.6	.6	0	.8
Highest Amount of Extraordinary Expenses Claimed	$12,000.00	$12,000.00	$3,000.00	$3,132.00	$2,300.00	$3,132.00
Mean	$134.04	$159.94	$125.12	$151.08	$84.92	$181.38
Total Sample	722	189	533	588	169	369

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TABLE 16

ASSETS PHEAA USED AFTER ADJUSTMENTS

	All Awardees Sampled	New Kensington Campus Awardees	University Park Awardees	All Non-Awardees Sampled	New Kensington Campus Non-Awardees	University Park Non-Awardees
Mean	$2,487.65	$2,107.28	$2,649.82	$6,929.13	$4,732.27	$7,886.45
Lowest Amount	0	0	0	0	0	0
Highest Amount	$30,700.00	$25,880.00	$30,700.00	$85,000.00	$40,574.00	$85,000.00
Total Sample	722	189	533	570	173	397

Table 17 depicts figures that were obtained from the Agency's Parental Contribution Table. Income the Agency utilizes after adjustments (described and illustrated along with Table 12 earlier in this chapter) is the variable which determines what this contribution will be. This adjusted income provides the Agency with the expected parental contribution from income.

As can be seen in Table 17, the average contribution expected from net parental income was $411.80. The highest amount of contribution was $1,581. A student enrolled in higher education at an institution where educational costs are less than $1,581 would, of course, be rejected for scholarship consideration. Table 17 is further illustration of the significant difference between the awardee and the non-awardee.

Table 18, Contribution From Assets, is the amount the Agency determines the family should be expected to contribute toward education expenses as a result of their net assets. This figure is arrived at by utilization of the following computation:

Net Assets	0 - $19,999 -	1% of total is the contribution
	$20,000 - $24,999 -	2% of total + $200 is the contribution
	$25,000 - $29,999 -	3% of total + $300 is the contribution

The average expected contribution from assets totalled approximately one-half as much for awardees as was expected from non-awardees. The mean figure $25.89 shown in Table 18 illustrates that the assets the Agency used after adjustment did not greatly alter the scholarship award.

Table 19 provides information relevant to other student income. Other income, according to the Pennsylvania Higher

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TABLE 17

CONTRIBUTION FROM INCOME

	All Awardees Sampled	New Kensington Campus Awardees	University Park Awardees	All Non-Awardees Sampled	New Kensington Campus Non-Awardees	University Park Non-Awardees
Mean	$411.80	$241.59	$480.96	$1,981.05	$1,078.91	$2,395.35
Lowest Amount	0	0	0	0	0	0
Highest Amount	$1,581.00	$937.00	$1,581.00	$4,200.00	$4,200.00	$4,200.00
Total Sample	722	189	533	537	169	368

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TABLE 18

CONTRIBUTION FROM ASSETS

	All Awardees Sampled	New Kensington Campus Awardees	University Park Awardees	All Non-Awardees Sampled	New Kensington Campus Non-Awardees	University Park Non-Awardees
Mean	$25.89	$21.67	$27.68	$49.32	$40.56	$53.34
Lowest Amount	0	0	0	0	0	0
Highest Amount	$520.00	$326.00	$520.00	$437.00	$331.00	$437.00
Total Sample	722	189	533	537	169	368

Education Assistance Agency, includes gifts, trust income, dividends from insurance, and war orphans benefits. The total of other student income is added directly to expected contributions from net income and contributions from net assets. This total figure then becomes the amount that the Agency expects the family to contribute toward the educational costs of the applicant.

As is the case with net assets, other income is a relatively insignificant variable. Only three per cent of awardees and eight per cent of non-awardees indicated their earned income in this manner. There is a wide range reported ($3-$1,500) in the amount of other income in the seven hundred twenty-two cases of awardees sampled. Because of this diversity and the small percentage claiming this type income, no means were generated.

Table 20 represents statistical information concerning the total amount the Agency expects the family to contribute toward the applicant's education. The Agency arrives at this figure simply by adding the expected contribution from income, the expected contribution from assets, and other student income. This total family contribution is then subtracted from the educational costs of the institution at which the applicant has indicated he will enroll. Wide differences between awardees and non-awardees are again in evidence in Table 20.

It can be quickly determined if an award would be granted to the applicant if the educational cost figure is known. For example, educational costs for resident and off-campus housed students at The Pennsylvania State University, University Park Campus is according to the Agency, $1,710. Any student with a total

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TABLE 19

OTHER STUDENT INCOME

	All Awardees Sampled	New Kensington Campus Awardees	University Park Awardees	All Non-Awardees Sampled	New Kensington Campus Non-Awardees	University Park Non-Awardees
Per cent of Students With This Type Income	3%	4%	3%	8%	4%	9%
Per cent of Students Without This Type Income	97%	96%	97%	92%	96%	91%
Lowest Amount of This Type Income Reported	$3.00	$3.00	$6.00	$3.00	$30.00	$3.00
Highest Amount of This Type Income Reported	$1,500.00	$264.00	$1,500.00	$6,040.00	$1,475.00	$6,040.00
Total Sample	722	189	533	537	169	368

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TABLE 20

TOTAL FAMILY CONTRIBUTION

	All Awardees Sampled	New Kensington Campus Awardees	University Park Awardees	All Non-Awardees Sampled	New Kensington Campus Non-Awardees	University Park Non-Awardees
Mean	$443.58	$267.23	$515.40	$2,029.05	$1,154.68	$2,525.07
Lowest Amount	0	0	0	$520.00	$520.00	$595.00
Highest Amount	$1,592.00	$998.00	$1,592.00	$6,572.00	$4,297.00	$6,572.00
Total Sample	722	189	533	538	170	368

family contribution which is less than $1,170 can anticipate the maximum $540 (80% of tuition) scholarship award. Scholarship awards less than maximum also can be easily computed. (More will be said relevant to the computation of award expectations later in this chapter.)

When an applicant files for scholarship consideration, he must indicate his housing status. The Pennsylvania Higher Education Assistance Agency must then determine educational costs using as a basis information provided by the approved institutions. The Agency may use as many as three separate cost figures for each approved institution. For commuting students, tuition and fees are considered educational costs. Tuition, fees, room and board charges are the educational costs for resident (dormitory) students and students living in off-campus housing. If any institution does not provide the Agency with room and board costs, the Agency uses tuition and fees plus $500 if the applicant has indicated he is a resident student or is living in off-campus housing.

Students included in the sample in this study were given scholarship consideration using the following educational costs:

1. University Park Campus resident and off-campus housed students--$1,710. This figure includes tuition charges of $675 and dormitory room and board charges of $1,035.

2. University Park commuting students--$675.

3. New Kensington Campus off-campus housed students --$1,115. This figure includes tuition charges of $615 plus the $500 standard allowance used by the Agency when no room and board costs are provided.

4. New Kensington Campus commuting students--$615.

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An obvious discrepancy appears in the above cost figures when comparing the $1,035 figure provided by the Agency for resident and off-campus students at the University Park Campus and the $500 standard allowance for off-campus students at the New Kensington Campus. This discrepancy is the result of The Pennsylvania State University's policy of not providing off-campus housing costs.

TABLE 21

PHEAA COMPUTED NEED

	All Awardees Sampled	New Kensington Campus Awardees	University Park Awardees
Mean	$ 960.09	$ 422.43	$1,179.18
Lowest Amount	$ 101.00	$ 101.00	$ 113.00
Highest Amount	$1,710.00	$1,115.00	$1,710.00
Total Sample	722	189	533

Table 21 views the seven hundred twenty-two awardees with regard to their computed need. The ranges indicate great diversity in both University Park Campus and New Kensington Campus awardees. There is also significant diversity between the average computed need of the students at the two campuses surveyed. Diversity among awardees is the result of the variation of family incomes and assets. The diversity between campuses is the result of the different educational costs. At the University Park Campus, the vast majority of awardees are resident or off-campus students and need is determined using the educational cost figure of $1,710. Few

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University Park Campus students commute. At the New Kensington Campus, the exact opposite is true. The vast majority of students at the New Kensington Campus commute and, therefore, were given need consideration based on the $615 cost figure. A few students at New Kensington live in off-campus housing and are evaluated at the $1,115 figure.

TABLE 22

UNMET FINANCIAL NEED

	All Awardees Sampled	New Kensington Campus Awardees	University Park Awardees
Mean	$ 486.65	$ 68.03	$ 657.35
Lowest Amount	0	0	0
Highest Amount	$1,170.00	$ 623.00	$1,170.00
Total Sample	722	189	533

Table 22 provides information with regard to unmet financial need. Again, differences can be attributed to family income and assets as well as the range in educational costs.

Table 23 includes relevant information concerning actual scholarship awards. Since maximum awards at the two campuses surveyed differ only $48, there is not the variation evidenced in the comparison of need and unmet need as shown in Tables 21 and 22. It is interesting to note that the average award to University Park Campus students represented approximately forty-five per cent of the need while at the New Kensington Campus, the award

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provided the student with nearly eighty-five per cent of the computed need.

TABLE 23

1970-1971 AWARD AMOUNT

	All Awardees Sampled	New Kensington Campus Awardees	University Park Awardees
Mean	$473.44	$354.40	$521.83
Lowest Amount	$100.00	$100.00	$112.00
Highest Amount	$540.00	$492.00	$540.00
Total Sample	722	189	533

The Pennsylvania Higher Education Assistance Agency provides information to both the non-awardee and the financial aid officer at the institution in which the non-awardee has indicated he will enroll. The information presented to the institution is similar to the information presented relevant to awardees with the exception that the amount of award is eliminated and the reason for rejection is included in its place. The Agency lists on the reverse side of Form S3BI (Scholarship Ineligibility Notice) fourteen reasons for no award. These reasons are coded by the letters A through P (excluding L). The reason code is presented on the front of the Scholarship Ineligibility Notice with information directing financial aid officers with regard to its interpretation.

The Agency does not provide complete financial information for applicants who are rejected for reasons other than no financial

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need. These would include such reasons as non-residency, non-citizenship, not full-time, not an undergraduate student, or full time use of an automobile while living awar from home. The Scholarship Ineligibility Notice is presented in the Appendix C.

TABLE 24

REASON FOR REJECTION FOR AWARD

	All Non-Awardees Sampled		New Kensington Campus Non-Awardees		University Park Non-Awardees	
	%	Sample	%	Sample	%	Sample
Expected Contribution Exceeds Costs	73.3	(537)	86.3	(170)	68.5	(367)
Income in Excess of Limits	18.5	(136)	5.6	(11)	23.3	(125)
Assets in Excess of Limits	4.4	(32)	1.5	(3)	5.4	(29)
Not Legal Residents	1	(1)	0	(0)	.2	(1)
Graduate Student	.3	(2)	0	(0)	.4	(2)
Illegal Full Time Use of Car	3.1	(23)	5.6	(11)	2.2	(12)
Not Full Time	.3	(2)	1	(2)	0	(0)
Total Sample	733		197		536	

Table 24 represents a breakdown of the seven hundred thirty-three non-awardees surveyed for this paper. The vast

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majority of non-awardees have been made ineligible because of a lack of financial need. Ninety-six per cent of all the non-awardees fall within this category.

The final three tables presented in the comparative analysis of awardees and non-awardees provides the reader with probability expectations relevant to income levels. Table 25 reviews all samples included in the study. Table 26 studies the sample at the New Kensington Campus and Table 27 is a composite of University Park Campus samples.

Table 25 shows that families with income in the $11,000 to $12,000 level have approximately a fifty-fifty chance in receiving financial aid through the Pennsylvania Higher Education

TABLE 25

INCOME LEVELS AND PERCENTAGE RECEIVING AWARDS: TOTAL SAMPLE

Income Range	Awardees	Per cent Receiving Award	Non-Awardees
Over $15,000	0	0	160
$14,000 - 15,000	1	1%	108
13,000 - 14,000	13	10%	114
12,000 - 13,000	28	22%	98
11,000 - 12,000	58	53%	61
10,000 - 11,000	66	59%	46
9,000 - 10,000	98	71%	40
8,000 - 9,000	105	80%	25
7,000 - 8,000	98	92%	9
6,000 - 7,000	68	96%	3
5,000 - 6,000	53	93%	4
4,000 - 5,000	42	100%	0
3,000 - 4,000	32	97%	2
2,000 - 3,000	24	100%	0
1,000 - 2,000	21	96%	1
less than 1,000	15	100%	0
Total	722		671

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Assistance Agency. Families in the $12,000 to $13,000 level have chances of only two in ten. These chance levels would fluctuate in accordance with the educational costs at the institution in which the applicant has enrolled. This can be seen in Tables 26 and 27 since educational costs are quite different at the two campuses studied. These tables, however, are the basis for the prediction tables which are recommended in Chapter IV.

TABLE 26

INCOME LEVELS AND PERCENTAGE RECEIVING AWARDS:

NEW KENSINGTON CAMPUS SAMPLE

Income Range	Awardees	Per cent Receiving Award	Non-Awardees
Over $15,000	0	0	12
$14,000 - 15,000	0	0	9
13,000 - 14,000	0	0	9
12,000 - 13,000	0	0	23
11,000 - 12,000	6	22%	27
10,000 - 11,000	8	20%	33
9,000 - 10,000	20	38%	33
8,000 - 9,000	41	66%	21
7,000 - 8,000	31	84%	6
6,000 - 7,000	28	90%	3
5,000 - 6,000	14	88%	2
4,000 - 5,000	14	100%	0
3,000 - 4,000	9	100%	0
2,000 - 3,000	10	100%	0
1,000 - 2,000	6	86%	1
less than 1,000	2	100%	0
Total	189		179

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TABLE 27

INCOME LEVELS AND PERCENTAGE RECEIVING AWARDS:

UNIVERSITY PARK SAMPLE

Income Range	Awardees	Per cent Receiving Award	Non-Awardees
Over $15,000	0	0	148
$14,000 - 15,000	1	1%	99
13,000 - 14,000	13	11%	105
12,000 - 13,000	28	27%	75
11,000 - 12,000	52	60%	34
10,000 - 11,000	58	82%	13
9,000 - 10,000	78	91%	7
8,000 - 9,000	64	94%	4
7,000 - 8,000	67	96%	3
6,000 - 7,000	40	100%	0
5,000 - 6,000	39	95%	2
4,000 - 5,000	28	100%	0
3,000 - 4,000	23	92%	2
2,000 - 3,000	14	100%	0
1,000 - 2,000	15	100%	0
less than 1,000	13	100%	0
Total	533		492

A Comparison of State Scholarship Programs

A secondary objective of this study has been a comparison of state supported programs throughout the United States. Twenty-four states now sponsor some type of scholarship support to students.[37] The programs vary in nature and scope with most awards based on ability and need. In addition, nine states provide special status scholarships to such groups as Indians, veterans,

[37] Robert L. Jacobson, "34 States Provide Assistance to Private Higher Education," The Chronicle of Higher Education, November 30, 1970, p. 2.

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and handicapped children.[38] Service scholarships are granted in eleven states to students who enroll and agree to work in "critical area fields" in the state after graduation.[39] Tuition equalization grants are available to students in seven states to help reduce the difference between student charges at private institutions and those at public institutions.[40]

The state of Michigan provides financial assistance for students enrolled in Michigan colleges and universities through state-sponsored competitive scholarships and tuition grants. Examinations are administered with the assistance of the American College Testing Corporation. Financial need is determined by use of the Parents' Confidential Statement (PCS) sponsored by the College Scholarship Service. Awards are limited in Michigan to $800.[41] Kansas supports a limited program and provides 200 scholarships to beginning freshmen and 200 to sophomores attending accredited public and church-related colleges and universities within the state. The amount of each award is determined by use of the Parents' Confidential Statement (PCS). In 1969-1970, $150,000 was appropriated for scholarship awards. Scholarship awardees are selected according to their scores on a qualifying test; either the American College Test (ACT) or the Scholastic

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[38] Ibid.

[39] Ibid.

[40] Ibid.

[41] Michigan Department of Education, State Sponsored Student Financial Aid, September, 1970, p. 2.

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Aptitude Test (SAT) were the testing media.[42] Rhode Island determines the number of its state awards by taking five per cent of the October enrollment in the graduating classes in all Rhode Island secondary schools, both public and private.[43] Scholarships range from $250 to $1,000 in Rhode Island.[44] Selectivity is somewhat complicated, making use of both high school rank and scores on the Scholastic Aptitude Test (SAT). The Parents' Confidential Statement (PCS) is utilized to determine need. Awards totalling $478,800 were made to 619 students in 1969.[45]

The State Scholarship Commission of Indiana also utilizes the Scholastic Aptitude Test (SAT) and the Parents' Confidential Statement (PCS). Monetary awards are granted in amounts ranging from $100 to $800. Appropriations totalling $6,220,000 were awarded to 14,481 Indiana students for the biennium 1969-1971.[46] West Virginia presents a limited number of scholarships to qualified students who prove a need for financial assistance. The American College Test (ACT) is required as well as the Parents' Confidential Statement (PCS) in the selection and need determination processes. Scholarships from the state of West Virginia do

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[42] Kansas State Department of Education, The State of Kansas Scholarship Program July 1, 1969 to June 30, 1970, p. 2.

[43] Rhode Island State Department of Education, Rhode Island State Scholarship Program, 1969, p. 13.

[44] Ibid., p. 14.

[45] Ibid., p. 31.

[46] State of Indiana Scholarship Commission, Report to the Governor of the State of Indiana, September, 1970, p. 1.

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not exceed $600.[47] West Virginia invested $175,000 in their 1969 program, making awards to 463 students.[48]

Oregon utilizes academic achievement, the Scholastic Aptitude Test (SAT), and the Parents' Confidential Statement in determining eligibility for their state scholarship program.[49] The state of Oregon also awards scholarship aid to students who are not residents of the state. The value of these scholarships must not exceed an amount equal to 10% of the estimated amount of tuition and fees paid to the state institution.[50] Oregon further categorizes its awards and makes grants on both a four year and a one year basis. A total of $1,802,617 was disbursed in the various award programs for 1969-1970.[51]

Ohio provides its residents with an Instructional Grants Program with eligibility determined by financial need. The Parents' Confidential Statement (PCS) is required to determine this need. The Ohio Board of Regents utilizes a "Grant Table" to determine the amount of the award. This table utilizes the "adjusted effective income" as determined by the Parents' Confidential Statement. Ohio breaks its program into two categories. Awards ranging from $100 to $900 are made to students attending institutions whose instructional charges are in excess of $1,000

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[47] West Virginia Commission of Higher Education, West Virginia Scholarship Program, 1970, p. 3.

[48] Ibid., p. 12.

[49] Letter, Jack McFall to Richard R. Mellott, December 7, 1970, Oregon State Scholarship Commission, p. 1.

[50] State of Oregon, Oregon Law, Chapter 348, p. 212.

[51] Ibid., p. 3.

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annually. At institutions with charges under $1,000, awards range from $50 to $300. The actual award depends upon the need of the individual. The Ohio program requires that the scholarship application be submitted to the institution in which the student will enroll as opposed to a state agency. It is the responsibility of the financial aid officers of each Ohio institution to calculate the grant to which the student is entitled, and to submit the necessary forms to receive the funding for the eligible students from the Ohio Board of Regents.[52]

The state of New Jersey offers New Jersey State Scholarships amounting up to $500 per year to approximately 4,900 new students annually. In addition, Educational Incentive Grants, Tuition-Aid Grants, and County College Graduate Scholarships are available to students attending a New Jersey college, university, or hospital school of nursing. All New Jersey awards are based on financial need.[53]

Minnesota provides state scholarships and grant-in-aid to its residents in amounts ranging from $200 to $800. State scholarships are determined by use of a prediction formula which utilizes the Minnesota Scholastic Aptitude Test scores and high school rank in class. Grants-in-aid are awarded on the basis of financial need as determined by the Parents' Confidential Statement (PCS). $300,000 was appropriated in 1970 for the state scholarship program and $400,000 for the grants-in-aid program. State scholarships may

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[52]Ohio Board of Regents, The Ohio Institutional Grants Program, 1970, p. 5.

[53]State of New Jersey, Financial Assistance for Your College Education, 1970, pp. 2-3.

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not be used at vocational schools or schools of nursing. Grants-in-aid, however, may be obtained for attendance at eligible Minnesota vocational-technical and schools in the para-medical fields.[54]

New York has a very different concept of higher education. Higher education is a joint enterprise of all private colleges, now numbering more than 140, and the network of public colleges comprising the State University of New York and the City University of New York. In this setting, financial assistance is also a cooperative enterprise. An extensive program of scholarships is available within this cooperative framework. Each year, 19,500 regent scholarships are awarded to outstanding high school students for purposes of study at a college or at a hospital school of nursing. In addition, about 1,000 scholarship and fellowships are awarded for graduate study in medical and dental related fields. For the most part, awards are based on family income and are adjusted in relation to the tuition charges at the college attended. The Regent Scholarships are awarded on a county basis, the numbers determined by the number of high school graduates within the county. Awards are based upon competitive standing in the Regents Scholarship and College Qualification Test. Each scholarship carries an award ranging from $250 to $1,000 per year. The amount of each award is determined by financial need, utilizing the combined net taxable balance on the New York State income tax returns.[55] A scholar incentive award is also available to New York

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[54]Minnesota Higher Education Coordinating Commission, 1970 Minnesota State Scholarships, 1970, p. 1.

[55]The University of the State of New York State Education Department, Handbook on Scholarships and Grants, 1969, p. 8.

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State students. The amount of the award ranges from $100 to $600 with the actual amount determined by use of the same state income tax return.[56] In 1969-1970, New York State made awards totalling $67,245,320 to 245,030 students.[57]

The Commonwealth of Massachusetts provides scholarship aid to their students in six distinct categories. General Scholarships are provided to approximately 6,000 students each year (including 2,000 new awardees) with eligibility based solely on financial need. The Parents' Confidential Statement (PCS) is used in making the need determination. The annual award values are $700 in private institutions and $200 in public institutions. Honor Scholarships, based on the Scholastic Aptitude Test (SAT) are awarded to four students in each state senatorial district. Honor Scholarship awardees are also eligible for General Scholarships by submitting the Parents' Confidential Statement (PCS). There are other state scholarship programs for children of deceased members of fire and police departments, special education scholarships, nursing scholarships, and medical and dental scholarships. The Parents' Confidential Statement (PCS) is also required in these programs.[58]

The Scholastic Aptitude Test (SAT) or American College Test (ACT), along with the Parents' Confidential Statement (PCS) are requirements in the Maryland State Scholarship programs.

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[56] Ibid., p. 13

[57] Regents Examination and Scholarship Center, A Statistical Summary 1969-70 College Year, November 1, 1970, p. 2.

[58] Commonwealth of Massachusetts, Board of Higher Education, 1971-72 Scholarship Information, 1970, p. 1.

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Scholarships are provided in a "political" manner, with awards made by political subdivisions based on the number of delegates the subdivisions sends to Maryland General Assembly. In addition, each state senator has an annual quota of awards. Scholarship awards range from $200 to $1,500.[59]

Individual awards ranging from $100 to $1,000 are made by the State of Connecticut to approximately 800 students entering Connecticut colleges. The awards are based on rank in class and Scholastic Aptitude Test (SAT) scores, with the monetary award determined by the need analysis computation of the Parents' Confidential Statement (PCS). An unusual aspect of the Connecticut program is that the scholarship application must be signed by the student's high school principal.[60]

The State of Iowa now offers financial assistance for college students through two programs. The state sponsors the State of Iowa Scholarship Program and the Iowa Tuition Grant Program. The State of Iowa Scholarship Program, established in 1965, is designed to provide monetary help to Iowa's ablest students. Awards range from $100 to $800 and are renewable for the sophomore year only. Academic qualifications are based on high school rank and the American College Test (ACT) scores. The Iowa Tuition Grant Program enables more low and middle income students to attend Iowa private colleges, and the grants are only made to private

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[59]Maryland State Scholarship Board, Maryland State Scholarship Program, August 1970, pp. 1-3.

[60]State of Connecticut Scholarship Program, Scholarship Program, 1971, pp. 1-2.

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institutions within the state. Qualified applicants may receive a maximum of $100 for each year of undergraduate study. The Parents' Confidential Statement (PCS) is required of both scholarship and grant candidates.[61]

The State Scholarship Commission in California is serving 15,800 students in 1970 whose awards range in size from the costs of fees for use at state colleges (approximately $150) to $2,000 for use at some independent colleges. All state scholarships in California are for payment of tuition and fees. For the 1971-1972 academic year, some 9,300 new scholarships will be awarded. A state scholarship may be utilized at any fee charging college or university in California which is accredited by the Western Association of Schools and Colleges. Both the Parents' Confidential Statement (PCS) and the Scholastic Aptitude Test (SAT) is required in the State of California with awardees selected on a competitive basis using a composite score derived from grade point average and SAT scores.[62]

It is interesting to observe the magnitude of the state scholarship program sponsored by the Commonwealth of Pennsylvania in comparison with those programs sponsored by other states. Joseph D. Boyd, Executive Director of the Illinois State Scholarship Commission, has conducted the most extensive research found in comparing state supported scholarship programs. Examining the

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[61] Iowa Higher Education Facilities Commission, State of Iowa Scholarship Program, 1970, p. 1.

[62] California State Scholarship and Loan Commission, A Report to Counselors and Scholarship Advisors, 1970, pp. 1-7.

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preceeding information plus Boyd's research has assisted significantly in highlighting this magnitude and in indicating that the Pennsylvania Higher Education Assistance Agency provides one of the most energetic and appealing state scholarship programs in our nation.

Pennsylvania lead all states in total appropriations for their residents to attend both public and non-public institutions in 1969-1970. The total number of monetary awards also exceeded those of all other state programs. Only three states, California, Illinois, and Rhode Island, averaged larger monetary awards to their scholarship recipients.[63]

Fifty-one per cent of the awardees of the Pennsylvania Higher Education Assistance Agency attended public institutions in 1969-1970 while forty-nine per cent were enrolled in non-public institutions.[64] Eighty-five per cent of the awardees attended institutions within the Commonwealth of Pennsylvania. This compared with an average of ninety-two per cent of all states surveyed.

Boyd estimated that the state scholarship program in Pennsylvania permitted ninety-seven per cent of the high school seniors to be considered for financial assistance. The state with the next highest percentage of students eligible for consideration was Massachusetts where only twenty per cent qualified.[66] Pennsylvania was the only state surveyed which permitted awards to be used out of

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[63] Ibid., p. 10.

[64] Ibid., p. 11.

[65] Ibid.

[66] Ibid.

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state, at profit making institutions, at two year colleges, at non-profit vocational schools, and at hospital schools of nursing. Of all the state supported scholarship programs in existence in 1969-1970, the Commonwealth of Pennsylvania provided over twenty-seven per cent of the national expenditure to almost sixteen per cent of those awarded scholarships throughout the country.[67]

All of the state scholarship programs reviewed with the exceptions of New York and Pennsylvania hold the one common characteristic which is the utilization of the Parents' Confidential Statement (PCS) in determining financial need. It is within this area of need analysis that this paper extensively reviews.

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[67] Ibid., p. 18.

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CHAPTER IV

SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

General Summary

An exploratory study was conducted to:

1. Determine the similarities and differences between awardees and non-awardees of the Pennsylvania Higher Education Assistance Agency in 1970-71; and

2. Compare the state scholarship program in existence in Pennsylvania with those now in operation in other states throughout our nation; and

3. Make recommendations which would provide more meaningful information relevant to the scholarship program to parents, students, counselors, and financial aid officers.

The data used in this research was obtained from Pennsylvania Higher Education Assistance Agency (PHEAA) Forms S3BI and S3BA. The sample included seven hundred and fifty-six students who received scholarship assistance from the Agency and seven hundred and thirty-three who were declared ineligible for financial aid. The students in the sample were enrolled during 1970-71 in The Pennsylvania State University at the University Park and New Kensington campuses. Seventeen variables were studied to determine the similarities and differences between the awardees and non-awardees. In addition, letters were written to the scholarship agencies of the states sponsoring some type of state supported scholarship programs.

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General Conclusions

The analysis of the variables utilized by the Pennsylvania Higher Education Assistance Agency in the awards procedure revealed marked consistency. Although there were similarities evident in the comparison, these similarities were in areas that were of minor significance in the actual need analysis. Awardees and Non-awardees generated similar income from part-time employment, received comparable other income from stocks, bonds, gifts and annuities, showed somewhat consistent amounts of savings, and came from similar sized families with approximately the same percentage of working mothers. There was also similarity in the amount of annual extraordinary expenses claimed by the parents.

Differences between awardees and non-awardees were evident with regard to family income and family assets. These variables, of maximum importance in the need analysis, created wide diversity in the computed financial need.

Similarities among all awardees included gross assets, extraordinary expenses, other student income, student savings, and the number of other children in college. Awardees displayed significant differences with regard to the total contribution expected from the family toward the applicants education and in total educational costs. The differences appeared as a result of the two groups in the sample. Educational costs at the University Park Campus of The Pennsylvania State University where most students are in residence was computed at $1,710. At the New Kensington Campus where all students commute, education costs totalled $615.

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A comparison of all non-awardees revealed similarities in family size, other children in addition to the applicant in college, student part-time income, other income, and savings. The contribution expected from family assets was also similar among all non-awardees. The most significant differences among all non-awardees included total family expected contribution, and gross and adjusted family income. The differences among non-awardees was again the result of the educational cost differential between the two samples.

Pennsylvania is one of the nation's leaders in the state sponsored scholarship programs. In 1970-71, 22.4% of the total dollars appropriated by states for financial aid to needy students were appropriated by the Commonwealth of Pennsylvania. Only New York State exceeded Pennsylvania in dollar amount and number of awards. The average award of $605 was $219 higher than the national average and sixth highest in the land. Although programs of this nature must be evaluated in areas in addition to quantity, the extensiveness and diversity is clearly evident.

Recommendations As a Result of This Study

This study has shown that over 96% of the non-awardees were declared ineligible because of a lack of financial need. Approximately 23% of these non-awardees declared either income or assets in excess of the limits established by the Pennsylvania Higher Education Assistance Agency. Speculation is strong that applicants and parents of applicants may lack understanding of the program or the regulations that determine eligibility. Therefore,

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it is recommended that a system is developed or existing systems are expanded in order to better familiarize those who are or will be associated with this program. Although many different approaches could be taken to alleviate this lack of understanding, one possible approach would be to provide a worksheet for parents to be made aware of the program and to use in assisting them to estimate award possibilities. This worksheet, accompanied by a cover letter and parental contribution table could be submitted annually to every high school graduate within the Commonwealth of Pennsylvania. Although many parents would find the worksheet cumbersome and would not bother with it, the more concerned parent would welcome the opportunity to speculate on anticipated assistance. The example letter, worksheet, and Parental Contribution Table that appears in the Appendices represents an attempt to clarify this recommendation. The Parental Contribution Table is the table used by the Agency in 1970-1971 in its awards procedure.

In order to enable high school counselors to better understand the program, there is a need for improved and increased communications between the Agency and the schools throughout the state. The Agency should provide annually a list of all approved institutions, the educational cost for resident, off-campus, and commuting students at the institutions, and the maximum scholarship award available at the institutions. This information could then be provided to parents and students to assist in their educational planning.

There is a great need for a revision of the present method used by the state legislature with regard to the funding of the

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scholarship program. Under the present framework, the Agency does not receive its allocations until the legislature solves many of its fiscal problems. This has forced the Agency to delay notifying applicants and institutions. This delay prohibits the scholarship program from becoming a factor in the educational planning of the student or in the financial aid planning of the institution scheduled to enroll the student. It is, therefore, recommended that all those associated with this program institute pressure upon the legislation to establish an annual appropriation deadline so that the award and rejection notification can be made early enough to become a part on one's educational planning.

If the legislature is unwilling or if legalities prohibit the establishment of such a deadline, it would be the recommendation of this writer that the current need analysis procedure be discontinued entirely and replaced by the use of the Parents' Confidential Statement. The Parents' Confidential Statement is currently used by the majority of colleges and universities. As was pointed out in the comparative study of the various state sponsored scholarship programs, all the states except Pennsylvania and New York use the Parents' Confidential Statement in the determination of financial need. With the utilization of the Parents' Confidential Statement, the Agency would no longer be involved in the costly and time consuming process of determining need. This information would be provided to them by the College Scholarship Service, the sponsor of The Parents' Confidential Statement. Also, with all applicants required to file the Parents' Confidential Statement early in the senior year, all

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institutions to which the applicant plans to apply would also receive the need analysis early enough to incorporate anticipated state scholarships regardless of the lateness of the date of actual notification. Since the state need analysis and the analysis provided by use of the Parents' Confidential Statement are dissimilar, it is necessary for financial aid officers at approved institutions to prepare a second need computation to be able to anticipate state scholarship awards.

This study has shown that the Pennsylvania Higher Education Assistance Agency utilizes a different educational cost figure for resident students and commuting students. For example, students in residence at the University Park Campus are analyzed using the educational cost figure of $1,710. Students attending that same campus but living at home are analyzed for need using the educational cost figure of $675. Since expenses are accrued by the family for the student regardless of whether he lives at home or in a college dormitory or off-campus facility, it is recommended that an allowance be made in the need analysis for the commuting student.

Current policy eliminates the part-time student from eligibility in the state scholarship program. Many students enroll into institutions of higher learning on a part-time basis because of financial problems. The incorporation of part-time students in this worthy state supported program might readily enable these students to accelerate their education which could be in the best interest of both the student and the state.

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The Pennsylvania Higher Education Assistance Agency is to be commended for eliminating the allowance provided, prior to 1970-71, for children under age 13. This allowance, although not extremely significant, was in reality a penalty to the smaller family. The Agency should consider the allowance now provided for other children, in addition to the applicant, enrolled in higher education. This allowance generates a different need factor than for those who have no others in college.

Readers of this paper might wish to suggest further recommendations. This should be encouraged. The scholarship program is a public program supported by public funds for the benefit of the citizens of Pennsylvania. Both the Pennsylvania Higher Education Assistance Agency and the sponsoring Pennsylvania Legislature undoubtedly would welcome the opinions of those interested in the betterment of the program.

Areas for Further Research

Perhaps one of the strongest contributions of this project lies in the potential areas uncovered for further research.

The Pennsylvania Higher Education Assistance Agency publishes an annual report which provides, in addition to general descriptive and legislative information, summary statistics relevant to the program. Other than the PHEAA Annual Report, no other research has been uncovered which might aid in the understanding of the program by the hundreds of thousands of applicants, parents of applicants, and institutional officials who are in direct contact with it each year.

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This study makes no claim that full understanding or exploration is now complete. This study does provide, however, an opportunity for the reader to gain some insight into the mechanics of the awards procedure and to perhaps better comprehend the rationale and objectives under which the Agency has functioned. This study, in addition, should provide a wedge in opening the door to further investigations related to the scholarship program and to those who have been or will be associated with it.

One such area in need of more intensive investigation is in the general area of the socio-economic and educational backgrounds of the families who gain and are denied aid. The purpose of the Agency is to provide broad scale programs which guarantee that the most needy and most able are given the opportunity to continue their self-improvement. A study of this nature could assist in determining if this objective is indeed a reality.

Further research is needed in the area of academic success of the scholarship awardee. Is the return on the investment made by the Commonwealth of Pennsylvania a financially sound return or do high percentages of awardees fail to complete their education and their self-improvement?

There is need for further information relevant to the type of education pursued by scholarship recipients. What, for example, are the manpower needs of the state? What services might benefit the state and its citizenry? Are scholarship awardees engaged in educational areas which might prepare them to alleviate these needs? If not, how might the Agency alter its program to assure the needs of the Commonwealth be met?

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This study clearly shows that the educational costs of the institution in which the applicant enrolls effects the total need of the applicant. Further study in this area might recommend a need for alteration of this aspect of the program. Should one be encouraged to attend a high cost institution and gain financial assistance rather than a lower cost institution without assistance? Does a family with income in excess of $12,000 annually deserve financial assistance for their child at a high cost institution while a family with income of $7,000 annually is denied assistance at a low cost school?

This study also has pointed out the significant difference in education costs between the resident and off-campus housed student and the commuting student. This aspect of the program is deserving of additional investigation. Are there not room and board expenses for the commuting student? Isn't a student who chooses to remain at home rather than live on campus subjected to as much overall expense? If so, just how might this expense be determined?

The sample used in this study involved students in attendance at a state related university. This institution receives a sizeable portion of its operating costs from the state. In essence, these students are receiving state assistance. Further study of the Pennsylvania Higher Education Assistance Agency might investigate this. What percentage of the costs of the education of a student attending a state supported or state related institution plus receiving state scholarship assistance are met? How does this compare with a student with comparable financial need in attendance at an institution not receiving tax support? This research could prove

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quite valuable especially if an investigation was made with regard to the students who were denied admission to the state aided institutions and were forced to attend higher cost schools.

Political involvement and implication, is a problem that clouds all programs that are sponsored by government. What political influence has been in evidence in the total program? Is there evidence that political pressure has been involved in the awarding of individual scholarships? Although no political influence has been uncovered in the research conducted in this study, other areas with political overtones has effected and may continue to effect the program. Perhaps the most not worthy of these areas is the inability of the legislature for the past two years to allocate funds at a time early enough to enable the Agency to notify applicants and institutions so that it is condusive to proper planning. Most institutions develop their financial aid packages for entering freshmen beginning in February and for upperclassmen in April and May. When financial aid officers are unable to ascertain at that time who in their student body will be receiving state scholarships, or, as is the present situation if scholarships will be available at all, it is virtually impossible to avoid duplication of effort. A study which would provide information with regard to the costs involved in this duplication of effort, especially at state tax supported institutions, might prompt legislators to review current allocation practices.

An informal study, conducted with students who will enter the freshmen class at The Pennsylvania State University New Kensington Campus in September, 1971, indicated that rejection for

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scholarship aid is of little or no significance in the decision to enroll in higher education. This, according to the informal investigation, is also the result of the late notification the student receives with regard to his eligibility for assistance. Students apply for admission to higher education normally in the fall of the senior year. They are notified of their admissability no later than early spring. General deposits must be made in order to insure a spot in the student body and committments must be made with regard to housing accomodations. Other long range planning must be undertaken prior to the actual enrollment in the fall. Therefore, when the notification is received in late summer, it becomes either an "icing on the cake" or a "oh, well" factor. This in no way is intended to say that the award, if received, is not needed. It often becomes an influential factor in that student's ability to remain in school without undue financial hardship. It does say that students, because of the commitment requirements of the institutions, cannot base their enrollment decision on the awarding of this grant.

When the state legislature develops a consistent method for appropriating funds and the Pennsylvania Higher Education Assistance Agency is, in turn, in a position to notify its applicants, the award (or no award) will become a much needed factor in the decision the potential student must make with regard to his future. At this time, research will be needed to investigate the effect the award (or lack of award) will have on that decision.

The federal government has conducted studies over the years in relation to their actual tax return as a result of

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increased earnings which individuals have been able to generate because of educational opportunities provided by the G.I. Bill. Their findings have shown that their investments in educational opportunities have resulted in actual returns much higher than more conventional investments. A study of this nature in relation to the Pennsylvania Higher Education Assistance Agency could very well provide similar results. If so, expansion and alteration of this program might be in order.

Kenneth R. Reeher, Executive Director of the Pennsylvania Higher Education Assistance Agency, at the annual meeting of the Pennsylvania Association of Student Financial Aid Administrators, October 13, 1970, presented several factors to be considered relevant to the future of the state scholarship program. Following are areas cited by Reeher that would be condusive to additional research:

1. The relationship and burden to be carried by the state and federal governments, the colleges and their students and the private sector.

2. The relationship assigned to student aid under the Master Plan for Higher Education in Pennsylvania.

3. The responsibility for full and proper administration of student aid programs.

4. The proper relationships of grants and loans made on a student signature and college arranged programs of student employment.

5. The role of state aid directed through students to provide a true freedom of choice of institution to be attended as compared with direct subsidy provided to those institutions owned or partially under the jurisdiction of the Commonwealth.

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6. An understanding of the priority ranking for state monies of funds for student aid when compared with the priorities assigned to higher education construction needs, subsidy at state institutions, highway construction, health and welfare programs, elementary and basic education subsidy, industrial development, and the many other requirements for state financial support.

7. The priority assigned federal funds and how these priorities relate to the burden to be assumed by institutions as various governmental and social priorities are implemented with contingencies on funds.

8. The willingness of the public and the educational community (faculty, administration, and students) to accept the eligibility standards established by those who provide the funds for state aid.[68]

Finally, the minor research conducted in this study in the comparison of state supported scholarship programs throughout the nation lends itself to much other research. What are the strengths of these programs? What are their weaknesses? What can we gain from them that might improve on the present Pennsylvania system?

These are but a few of the possibilities this initial research has for additional exploration. If any one receives intensive investigation as an outgrowth of this project, the efforts put forth to develop this paper will be justified.

Concluding Statement

The Pennsylvania Higher Education Assistance Agency is to be commended for the efficient administration of the state

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[68]Pennsylvania Higher Education Association Agency, Speaking for PHEAA, November, 1970, p. 1.

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scholarship program. Since 1965, the programs, under the sponsorship of the Commonwealth of Pennsylvania General Assembly, have provided nearly 200 million dollars in financial assistance to over 300,000 young men and women in their pursuit of higher education. With continued review and upgrading, the program is assured a successful future.

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APPENDICES

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APPLICATION FOR STATE SCHOLARSHIP
Commonwealth of Pennsylvania
FOR 1970-71
ACADEMIC YEAR

PHEAA USE ONLY

53 File Number | 54 Date Received by PHEAA

GROUP III APPLICATION

IMPORTANT

THE PENNSYLVANIA HIGHER EDUCATION ASSISTANCE AGENCY
SCHOLARSHIP APPLICATIONS
P. O. BOX 3157
HARRISBURG, PENNSYLVANIA 17105

IT IS NECESSARY TO REFER TO THE INSTRUCTION SHEET IN ORDER TO COMPLETE THIS FORM. WRITE ONLY ONE NUMBER OR LETTER IN EACH BLOCK. ERRORS OR OMISSIONS WILL CAUSE DELAY IN PROCESSING.

THE PENALTY FOR SUBMITTING FRAUDULENT INFORMATION ON THIS APPLICATION UNDER THE LAWS OF THE COMMONWEALTH OF PENNSYLVANIA IS A FINE OF UP TO $5000 AND/OR UP TO FIVE YEARS IMPRISONMENT.

1. Student Applicant's Social Security Number

2. **PENNSYLVANIA RESIDENCY** Does the student applicant meet the twelve months residency requirement prior to initial enrollment as defined in Item 2 on the Instruction Sheet?
Check appropriate block 1. ☐ Yes 2. ☐ No

3. **U.S. CITIZENSHIP** Is the student applicant a citizen of the United States or has he filed with the Naturalization Court a Declaration of Intention to become a citizen?
Check appropriate block 1. ☐ Yes 2. ☐ No

4. Applicant's First Name | 5. Initial | 6. Applicant's Last Name

7. Applicant's Permanent Street Address or Box Number | Area Code | Home Telephone Number

8. City or Town | 9. State | 10. ZIP Code

11. **COUNTY CODE** See "Key for Item 11" on reverse side of Instruction Sheet for appropriate county code
County Code

12. **Student Applicant's Year of High School Graduation** 19__
Name of High School
City | State

13. **Student Applicant's Sex**
Check appropriate block
1. ☐ Male
2. ☐ Female

14. **Student Applicant's Marital Status**
Check appropriate block
1. ☐ Married
2. ☐ Single

15. **Is student applicant a veteran of the U.S. Armed Services?**
Check appropriate block
1. ☐ Yes
2. ☐ No

16. **PROGRAM OF STUDY** The student applicant will be enrolled in a:
Check appropriate block
1. ☐ Two or more year program
2. ☐ One year program

17. **ACADEMIC CLASS** During the 1970-71 academic year, student applicant will be enrolled in the
Check appropriate block
1. ☐ First academic year
2. ☐ Second academic year
3. ☐ Third academic year
4. ☐ Fourth academic year
5. ☐ Fifth academic year of a five year undergraduate program
6. ☐ Graduate Level

18. **ENROLLMENT STATUS** Will the student applicant be enrolled as a full time student during the 1970-71 academic year?
Check appropriate block
1. ☐ Yes
2. ☐ No

19. **COURSE OF STUDY CODE** See "Key for Item 19" on reverse side of Instruction Sheet. Enter appropriate code letter or number in block and print expected major course of study below.
Course Code
PRINT COURSE OF STUDY BELOW.
COURSE OF STUDY

20. **SCHOOL OR COLLEGE CODE** See "Key for Item 20 – Institutional Code List". Enter the appropriate code number for the school or college student applicant plans to attend during the 1970-71 academic year, even though a tentative choice. DO NOT CODE, if school is not listed
SCHOOL OR COLLEGE CODE

21. **RESIDENCY DURING ACADEMIC YEAR** Student applicant plans to be a:
Check appropriate block
1. ☐ Resident student – living in housing owned or supervised by the school or college
2. ☐ Off-campus student – living away from parents' home in housing not owned or supervised by the school or college
3. ☐ Commuter student – living at home with parents, guardians, or with relatives other than a spouse

22. **SCHOOL OR COLLEGE NAME** This item must be completed even though a tentative choice at the present time.
In 1970-71, student applicant plans to attend: _____
FULL NAME OF INSTITUTION OF HIGHER LEARNING
CITY | STATE

23. Current total cash balance of student applicant's checking and savings accounts. $ Dollars | Cents 00

24. Will the student applicant have full-time use of an automobile during the 1970-71 academic year?
1. ☐ Yes
2. ☐ No
Check appropriate block.

OTHER FINANCIAL ASSISTANCE AVAILABLE TO THE STUDENT APPLICANT FOR THE 1970-71 ACADEMIC YEAR.

25. Aid from family (other than parents) $ .00
War Orphan Benefits $ .00
TOTAL $ Dollars | Cents 00

26. Student G.I. Bill Benefits $ Dollars | Cents 00

27. Income to student applicant from gifts, annuities, stocks, bonds, trusts, and/or matured insurance. $ Dollars | Cents 00

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List children, other than the student applicant, who will be attending an institution of higher learning as full-time, undergraduate students during the 1970-71 academic year. DO NOT LIST THE APPLICANT. READ INSTRUCTIONS BEFORE COMPLETING THIS ITEM.

	NAME(S) OF CHILDREN	SCHOOL OR COLLEGE	STATE	INSTITUTION CODE
(28)				
(29)				
(30)				

See Institutional Code List. IF SCHOOL IS NOT LISTED, DO NOT CODE

(31) Dependent children receiving schooling for the HANDICAPPED (see instructions):
NAME OF CHILD _____
Unreimbursed Costs $ 00

(32) The student applicant normally lives with: Check appropriate block
1 ☐ Both parents or step parents
2 ☐ Father ONLY or Mother ONLY
3 ☐ Guardian
4 ☐ Spouse
5 ☐ Others (Read Instructions for Item 32 if this block is checked)

Indicate status of EACH parent or guardian and applicant's spouse (if married). Select the appropriate number and place in EACH block.

(33) ☐ Father, Step-father or Guardian
(34) ☐ Mother or Step-mother
(35) ☐ Spouse

1. Farmer
2. Housewife
3. Self Employed
4. Employed by Another
5. Deceased
6. Disabled
7. Retired
8. Unemployed
9. Whereabouts Unknown

(36) NET WORTH OF PARENTS' ASSETS
Read instructions before completing this item

A. Home and Other Personal Real Estate Equity (market value less mortgage) $ 00
B. Present balance of bank accounts, including cash from life insurance death benefits $ 00
C. Present market value of annuities, stocks, bonds, trusts, and other investments $ 00
TOTAL $ 00 (DOLLARS / CENTS)

(37) PARENTS' NON-TAXABLE INCOME (Not reported on Federal Income Tax Return)
Read instructions before completing this item
TOTAL $ 00 (DOLLARS / CENTS)

(38) PARENTS' EXTRAORDINARY EXPENSES FOR 1969
Read instructions before completing this item

A. EMERGENCY home repairs $ 00
B. Child Support payments $ 00
C. Educational loan payments $ 00
TOTAL $ 00 (DOLLARS / CENTS)
D. MEDICAL EXPENSES (in excess of those allowed as federal income tax deductions) 67 $ 00 (DOLLARS / CENTS)

(39) Number of tax dependent children
NUMBER

(40) Age of youngest dependent child
Check appropriate block
1 ☐ 12 or younger
2 ☐ 13 or older

(42) REDUCED FAMILY INCOME – Check any of the following that has occurred since the year for which the parents or guardians filed the tax return(s) being submitted with this application
1 ☐ Death of principal wage earner
2 ☐ Disability of principal wage earner
3 ☐ Retirement of principal wage earner
4 ☐ Mother ceased working
IF a check is entered in Block 1, 2, 3, or 4, enter the expected total annual income (before taxes and exemptions) the parents or guardians expect to declare on their Tax Return for the current year. Do not include parents' or guardians' non taxable income entered in Item 37 or student applicant's income entered in Item 48
69 $ 00 (DOLLARS / CENTS)

(41) NET WORTH OF BUSINESS OR FARM
COMPLETE ONLY IF PARENTS ARE SELF-EMPLOYED OR FARMERS Read instructions for completing Supplement Form if Parents are self-employed or farmers.
TOTAL ASSETS $ 00
(less)
BUSINESS OR FARM DEBTS $ 00
NET WORTH $ 00 (DOLLARS / CENTS)

(43) Has the student applicant ever been convicted of a criminal offense, or are charges pending against the student applicant for a criminal offense?
Read instructions for definition of criminal offense before completing this item
Check appropriate block
1 ☐ Yes
2 ☐ No

(44) PARENTS' SOCIAL SECURITY NUMBER
Father, Step father, or Guardian
Mother or Step mother
Spouse

FAMILY INCOME DATA

Every application must be accompanied by a copy of the Federal Income Tax Return filed by the applicant, his parents or guardians, and the applicant's spouse (if married). If the student applicant is a 1970 high school graduate, submit the 1968 Tax Return(s), if the student applicant graduated from high school prior to 1970, submit the 1969 Tax Return(s). Tax Returns are **identified by the large "1040" printed in the upper left corner of the form.** W-2 Earnings Statements from employers are NOT acceptable. Enter the parents' or guardians' data in Items 46 and/or 47 below, as taken from the Tax Returns. Be certain to identify the type of tax form and whether it is a "joint" or "separate" tax return by checking the appropriate blocks in each item. Enter the earnings of the student applicant and his spouse (if married) in Items 48 and/or 49 below. If applicant and spouse filed a joint return, enter the portion of earnings of each in the appropriate blocks. If a Tax Return was not filed for the year requested note the instructions for submitting a notarized letter stating the amount of the parents' or guardians' annual income. If such a letter is submitted, do not include the parents' or guardians' non-taxable income entered in Item 37 or the student's income entered in Item 48. READ **INSTRUCTIONS FOR ITEMS 46-49 FOR MORE DETAILS BEFORE MAKING ANY ENTRIES.**

(46) 1. ☐ PARENTS FILING JOINTLY
2. ☐ FATHER FILING SEPARATELY
Reported Income – Check One
☐ 1. From attached 1040 Line 15C
☐ 3. From attached notarized letter
$ 00 (DOLLARS / CENTS)

(47) 1. ☐ MOTHER FILING SEPARATELY
Reported Income – Check One
☐ 1. From attached 1040 Line 15C
☐ 3. From attached notarized letter
$ 00 (DOLLARS / CENTS)

(48) 1. ☐ APPLICANT'S EARNINGS
Do not include spouse's earnings
Reported Income – Check One
☐ 1. From attached 1040 (applicant's portion of Line 15C)
☐ 3. From attached notarized letter
$ 00 (DOLLARS / CENTS)

(49) 1. ☐ SPOUSE'S EARNINGS
Do not include applicant's earnings
Reported Income – Check One
☐ 1. From attached 1040 (spouse's portion of Line 15C)
☐ 3. From attached notarized letter
$ 00 (DOLLARS / CENTS)

(45) See instructions for required signatures.

We hereby authorize and permit the Pennsylvania Higher Education Assistance Agency to make public announcement of any award or rejection notice made to the applicant; to forward to the college financial aid officer of the post secondary institution which the applicant listed or subsequently indicates that he will attend the financial information utilized in the Agency's need analysis to determine whether or not the applicant is eligible for a State Scholarship, and in exchange with the post secondary institution information regarding any other aid received by the applicant. We hereby authorize and direct the District Director of Internal Revenue to submit to the Agency upon request of the Agency, a certified copy or extract of our Federal Income Tax Return filed for the tax year for which data is herein submitted. We declare under penalty of the criminal laws of the Commonwealth of Pennsylvania that this application, including Item 42 above, has been examined by us and to the best of our knowledge and belief is a true, correct and complete application, and that the Federal Income Tax Return(s) if any are attached is a copy of all such forms filed.

THE PENALTY FOR SUBMITTING FRAUDULENT INFORMATION ON THIS APPLICATION UNDER THE LAWS OF THE COMMONWEALTH OF PENNSYLVANIA IS A FINE OF UP TO $5000 AND/OR UP TO FIVE YEARS IMPRISONMENT.

1 APPLICANT'S SIGNATURE

2 SIGNATURE OF APPLICANT'S SPOUSE

3 SIGNATURE OF FATHER, STEP FATHER OR GUARDIAN

4 SIGNATURE OF MOTHER, STEP MOTHER OR GUARDIAN

BEFORE MAILING YOUR COMPLETED APPLICATION:

(1) REVIEW YOUR ENTRIES FOR ACCURACY
(2) BE CERTAIN REQUIRED SIGNATURES ARE AFFIXED

SEE TOP OF PAGE 1 FOR PHEAA ADDRESS

(3) ATTACH REQUIRED FEDERAL INCOME TAX RETURNS
(4) WRITE APPLICANT'S SOCIAL SECURITY NUMBER ON MARGIN OF ATTACHED TAX RETURNS

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INSTRUCTIONS

IMPORTANT: Read the instructions very carefully before completing each of the items requested on the Application Form.

1 Enter the student applicant's Social Security number. If the student applicant does not have a Social Security number, he should obtain one from the nearest Social Security Administration Office, but return the completed application to PHEAA in order to comply with the filing deadline. PHEAA will contact the student applicant within 90 days of receipt of the application, requesting the Social Security number be submitted at that time.

2 To be eligible for state scholarship assistance, a student applicant who is under 21 years of age must have a parent or guardian who has been a bona fide resident of Pennsylvania for at least twelve months immediately preceding the date of application. A student applicant who is 21 years of age or older must have been a bona fide resident of Pennsylvania at least twelve months immediately preceding the date of application, exclusive of any period of time the student has spent while enrolled in a postsecondary educational institution.

4-10 Enter the following information in the appropriate blocks: applicant's first name, middle initial, last name, legal home address, city, state, zip code and home telephone number (include area code).

11 Refer to the "Key for Item 11 – County Codes" on the reverse side of this sheet and enter the code for the county in which the student applicant's permanent home address is located.

12 Enter the student applicant's year of high school graduation in the appropriate blocks. Print the name and city and state address of the high school from which the student applicant has graduated.

16 Check the appropriate block that indicates the total length of the program of study in which the student applicant will be enrolled during the 1970-71 academic year. Check Block 2 if the complete program of study in which the student applicant will be enrolled is limited to one year.

19 Refer to the enclosed "Key for Item 19 – Course of Study Codes" on the reverse side of this sheet. Enter the appropriate letter code that identifies the educational objective of the student applicant. Codes for approved courses of study at trade, technical and business schools are listed under each school name on the reverse side of the "Key for Item 20–Institutional Code List." Be certain to print the name of the course of study in the space provided under the block in Item 19 on the application.

20 Refer to the enclosed "Key for Item 20–Institutional Code List" to identify the code of the school or college in which the student applicant will be enrolled. The list contains all approved Pennsylvania colleges, universities, and schools (hospital schools of nursing, trade, technical and business schools), and a selected group of approved out-of-state colleges and universities most frequently attended by state scholarship recipients. If the institution is not listed, **DO NOT CODE**, but enter the name and address of the institution in Item 22.

28-30 Enter the requested information for each tax dependent child **OTHER THAN THE STUDENT APPLICANT** who will be attending an institution of higher learning as an undergraduate student during the 1970-71 academic year. Refer to the "Key for Item 20 – Institutional Code List" to identify the code of the school or college in which the students will be enrolled. If the institution is not listed, **DO NOT CODE.** PHEAA will enter such codes.

31 List the name of each dependent child who is receiving schooling for the handicapped (blind, deaf, mentally or emotionally maladjusted, cerebral palsy, crippled children, physically handicapped) during the current academic year and the total costs to the family which are not subsidized in any way.

32 Check Block 1 if the student applicant normally lives with both of his natural parents, or one natural parent and one step-parent.
Check Block 2 if the student applicant normally lives with only one parent because the other parent is deceased, or because the parents are legally separated or divorced, or because the whereabouts of the other parent is unknown.
Check Block 3 if the student applicant lives with a guardian.
Check Block 4 if the student applicant is married and lives with his/her spouse.
Check Block 5 to indicate any other situation. If checked, be certain to attach a letter to the application indicating with whom the student applicant resides and the financial responsibility to the student applicant.

33-35 Enter the appropriate code number to indicate the status of each parent, step-parent or guardian with whom the student applicant resides. If the student applicant is married, be certain to make an entry for the spouse in Item 35 , as well as the applicant's parents.

36 In Part A, compute the equity of the home and other personal real estate owned or being purchased by the parents or guardians by subtracting the present mortgage indebtedness from the present market value. In Part B, enter the account balances and in Part C, enter the market values of the investments as of the date the application is being completed, including the principal amount of any trust fund in the name of the student applicant, parents or guardians.

37 Enter the total annual income of the parents or guardians for the current year from any of the sources listed below:

a. Non-taxable disability retirement payments and non-taxable benefits paid by the Veterans Administration.
b. Total for the year of non-taxable payments from workman's compensation, insurance, damages, etc., for injury or sickness.
c. Interest received on state and municipal tax-exempt bonds.
d. Federal Social Security benefits.
e. Non-taxable gifts, inheritances, and bequests.
f. Child support payments received.

38 List only the amounts paid in 1969 for any of the purposes listed below:

a. Emergency Home Repairs – Enter the total cost of repair or damage to the home which was not covered by insurance. Do not include such items as paving or sewer installation, remodeling, room additions, painting, etc.
b. Child Support Payments – Enter the total annual amount of the payments made.
c. Educational Loan Payments – Enter only those payments for which the parents are legally obligated on behalf of dependent children. Do not include obligations for National Defense Student Loans or State Guaranteed Loans.
d. Medical Expenses – Enter the total of those expenses paid by the parents or guardians which were in excess of the amount allowed as a deduction for federal income tax purposes.

41 If the student applicant's parents or guardians are owners of a business, self-employed professionals, or are owners, operators or tenants of a farm, they must complete the appropriate side of the enclosed Supplement Form. Be certain to follow the instructions on the Supplement for computing the entries to be entered in item 41 on the application. All others should disregard this item and discard the Supplement.

42 Make an entry in one of the blocks **ONLY** if one of the situations listed occurred since the parents or guardians filed the Tax Return being submitted with this application. If a check is entered in Block 1, 2, 3, or 4, enter the expected total annual taxable income before taxes and exemptions which the parents or guardians expect to declare on their Tax Return for the current year. Do not include parents' or guardians' non-taxable income entered in Item 37 or student applicant's income entered in Item 48.

43 If the student applicant has been charged with or convicted of a criminal act since his 16th birthday (excluding juvenile offenses or minor traffic violations for which a fine of $25 or less was imposed), check Block 1. PHEAA will contact the student applicant within 90 days of receipt of the application, requesting detailed information and then make a determination as to whether or not the student applicant is eligible for state scholarship consideration.

46-49 FAMILY INCOME DATA

These items require the student applicant and his parents or guardians to enter their total annual incomes for the appropriate tax year and to validate their entries by submitting a copy of their Federal Income Tax Returns with the application. If the student applicant is a 1970 high school graduate, submit the 1968 Tax Return(s); if the student applicant graduated from high school prior to 1970, submit the 1969 Tax Return(s). This requirment must be met by all families who filed a Tax Return, including those who make an entry in Item 42. The following information describes the procedures for submitting the Tax Returns and the permissible exceptions:

1. The Proper Forms

Federal Income Tax Returns are filed annually with the District Director of Internal Revenue in Philadelphia. They can be identified by the large "1040" printed in the upper left corner of the form.

Do not submit the "W-2 Statement of Earnings" form received each January from your employer. This is not acceptable.

Continued on reverse side

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46-49 FAMILY INCOME DATA continued

If a Tax Return was filed with the Internal Revenue Service, but a copy was not retained, submit a request for a certified copy to the Internal Revenue Service Center, 11601 Roosevelt Boulevard, Philadelphia, Pa., 19155. Return the completed scholarship application to PHEAA in order to comply with the filing deadline. PHEAA will contact the student applicant within 90 days of receipt of the application, requesting the copy of the Tax Return be submitted at that time.

If the student applicant is married or a veteran of the U.S. Armed Services and has been graduated from high school five years or less, the Tax Returns of the student applicant and his parents or guardians are required. In cases where the student applicant and spouse have filed a joint return, enter the income of the student applicant in Item 48 and that of the spouse in Item 49. This is necessary so that PHEAA can identify the income of each. In all cases, it should be the income before taxes and exemptions.

If the parents or guardians did NOT file a Tax Return for the year requested, prepare a letter to PHEAA stating the reason for not filing, the source of their income, and the amount. The amount reported should be the total taxable income from all sources, but do not include the student's income and do not reduce amounts for estimated taxes, exemptions and/or other deductions, non-taxable income entered in Item 37 or the student's income entered in Item 48. Have the letter notarized by a local Notary Public.

2. Exceptions to Submitting Tax Returns

a. If the student applicant was not employed and therefore did not file a Tax Return, print the word "NONE" in the blocks in Item 48.

b. If the student applicant is a veteran of the U.S. Armed Services or is married and has been graduated from high school six years or more, the Tax Returns of his parents or guardians are not required, but those of the student applicant and spouse (if married) are required.

c. If the parents are legally separated or divorced, or the whereabouts of one parent is unknown, only the Tax Return of the parent with whom the student applicant resides or who claims the student applicant for income tax purposes is required along with the student applicant's Tax Return if one was filed.

d. If the student applicant resides with foster parents or with adults who have no legal duty of support to the applicant, their Tax Returns are not required, but the student applicant's Tax Return is required if one was filed. In such cases and if the student applicant is an orphan, a ward of the court, or the whereabouts of both parents are unknown, a letter explaining the family situation should be attached to the application along with the student applicant's Tax Return.

3. Entering the Data on the Application

a. Enter the **TOTAL INCOME** for the parents or guardians in Items 46 and/or 47 as appropriate. Total Income is taken from Line 15C of IRS Form 1040.

b. Be certain to check the appropriate blocks to indicate whether it is a "joint" or "separate" return, and to identify the document from which the income figure was obtained (Tax Return or notarized letter).

c. Enter the student applicant's earnings and the spouse's earnings separately in Items 48 and 49. If a "joint" return was filed, enter the portion of earnings of each in the appropriate section. Be certain to identify the document from which the income figure was obtained (Tax Return or notarized letter).

4. Attaching Copies of the Tax Returns

Obtain a photostatic copy from a library or commercial establishment in your community which provides such service. Attach the Tax Return copies or notarized letter of explanation to the application.

Be certain to submit copies of **BOTH** sides of the Tax Returns and include copies of additional schedules and attachments originally submitted to the Internal Revenue Service.

SIGNATURES

The student applicant must sign his name on line 1 of this Item. If the student applicant is married, the spouse must sign on line 2. The signature(s) on lines 3 and/or 4 (parents, step-parents, or guardians) should be of those persons with whom the student applicant normally makes his permanent home residence.

KEY FOR ITEM 11 — COUNTY CODES

01 Adams	12 Cameron	23 Delaware	34 Juniata	45 Monroe	56 Somerset
02 Allegheny	13 Carbon	24 Elk	35 Lackawanna	46 Montgomery	57 Sullivan
03 Armstrong	14 Centre	25 Erie	36 Lancaster	47 Montour	58 Susquehanna
04 Beaver	15 Chester	26 Fayette	37 Lawrence	48 Northampton	59 Tioga
05 Bedford	16 Clarion	27 Forest	38 Lebanon	49 Northumberland	60 Union
06 Berks	17 Clearfield	28 Franklin	39 Lehigh	50 Perry	61 Venango
07 Blair	18 Clinton	29 Fulton	40 Luzerne	51 Philadelphia	62 Warren
08 Bradford	19 Columbia	30 Greene	41 Lycoming	52 Pike	63 Washington
09 Bucks	20 Crawford	31 Huntingdon	42 McKean	53 Potter	64 Wayne
10 Butler	21 Cumberland	32 Indiana	43 Mercer	54 Schuylkill	65 Westmoreland
11 Cambria	22 Dauphin	33 Jefferson	44 Mifflin	55 Snyder	66 Wyoming
					67 York

KEY FOR ITEM 19 — COURSE OF STUDY CODES

Select the most appropriate letter or number code from those listed below that identifies the educational objective of the student applicant. Codes for approved courses of study at trade, technical and business schools are listed under each school name on the enclosed Institutional Code List. Enter the appropriate code in the block in Item 19 on the application and print the name of the course of study in the space provided under the block. If the course of study the student applicant plans to take is not included in the lists, DO NOT ENTER A CODE, but be certain to print the name of the course of study in the space provided in Item 19. PHEAA will enter the code for the course of study written in by the applicant.

COLLEGES AND UNIVERSITIES

FOUR-YEAR COLLEGES AND UNIVERSITIES

- A Bachelor of Arts (Religion Major)
- B Bachelor of Arts (All Other Majors)
- C Bachelor of Fine Arts
- D Bachelor of Science (Religion Major)
- E Bachelor of Science (All Other Majors)
- F Certificate or Diploma (2-year terminal program in a 4-year college or university)

TWO-YEAR JUNIOR AND COMMUNITY COLLEGES

- G Associate Degree (College Transferable Programs)
- H Certificate or Diploma (2-year terminal programs — credit not transferable to a 4-year college)

HOSPITAL SCHOOLS OF NURSING

- K Certificate or Diploma (Registered Nurse Program)
- L All Other Programs

TRADE, TECHNICAL AND BUSINESS SCHOOLS

The codes for approved courses of study at these schools are listed under each school name on the reverse side of the enclosed Institutional Code List.

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PENNSYLVANIA HIGHER EDUCATION ASSISTANCE AGENCY
TOWNE HOUSE
HARRISBURG, PENNSYLVANIA 17102

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8/07/70	162-46-9568	021186

IMPORTANT: READ BOTH SIDES OF THIS NOTICE AND RETAIN IT FOR YOUR FILES.

Dear Financial Aid Officer:

The financial need analysis information printed below informs you of the action taken and the data used by the Higher Education Assistance Agency in evaluating the above named student's application for Commonwealth scholarship assistance. The student and his parents authorized release of this data to you on the application form.

Please refer to the summary of major rules and regulations printed on the reverse side of this notification for information on disbursement dates, adjustments, refunds, etc. Particular attention should be paid to the "Eligibility Requirements" items listed. Report any known violations of these to PHEAA immediately.

Marital Status	Veteran	Full-Time Auto Use	High School Graduation Year
SINGLE	NC	YES	1970

Family Gross Income (Includes Non-Taxable Income & G. I. Bill Benefits)	Income Offset For Working Mother	Number of Dependent Children	Income Offset for Other Children in College	Student Income	Income PHEAA Used After Adjustments
$ 10,507	$ NONE	07	$ NONE	$ NONE	$ 10,507

Family Gross Assets	Applicant's Savings	Extraordinary Expenses	PHEAA Asset Allowance	Assets PHEAA Used After Adjustments
$ 23,000	$ 2,248	$ NONE	$ 10,000	$ 15,248

Contribution From Income	Contribution From Assets	Other Student Income From Annuities, Stocks, Gifts, Bonds, etc.	Total Family Contribution
$ 342	$ 152	$ NONE	$ 494

Student Housing Status	PHEAA Educational Costs	PHEAA Computed Financial Need	Unmet Financial Need
COMMUTER	$ 615	$ 121	$ 1

1970-71 Award Amount
$ 120 *

* PAYMENT OF ONE-HALF THIS AWARD HAS BEEN FUNDED BY THE GENERAL ASSEMBLY. SECOND PAYMENT IS DEPENDENT UPON SOLUTION OF THE STATE'S FISCAL PROBLEMS.

Kenneth R. Reeher
Executive Director

S 38A 7/69

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APPENDIX B

RULES AND REGULATIONS GOVERNING COMMONWEALTH OF PENNSYLVANIA SCHOLARSHIPS

ELIGIBILITY REQUIREMENTS

Each award recipient has indicated to PHEAA that: (1) he (and his parents if he is under 21 years of age) has been a legal resident of Pennsylvania for the twelve consecutive months immediately prior to the date the application for aid during 1970-71 was filed (time spent as a student does not count towards residency – the required twelve months for students must be immediately prior to enrollment); (2) he is a citizen of the United States, or taking legal steps to become a citizen of the United States; (3) he will be enrolled as a full-time student in undergraduate study; and (4) if he will be living away from home during the academic year, he will not have full-time use of an automobile unless specific approval has been granted in writing by PHEAA.

In addition, if he was a Commonwealth scholarship recipient during 1969-70, he must have advanced one academic year in order to be eligibile for an award in 1970-71.

IF YOU KNOW THAT THE STUDENT NAMED ON THE FRONT OF THIS NOTIFICATION IS IN VIOLATION OF ANY OF THESE CRITERIA, REPORT THIS FACT TO PHEAA IMMEDIATELY.

PAYMENT OF AWARDS:

Payment of awards is made by PHEAA directly to the institution of higher learning. Normally, one-half of the annual amount is sent in October; the second half in February. A recipient roster will accompany each check to facilitate the crediting of each student's account. If your institution uses an academic calendar of other than two semesters, you should make an equitable distribution of the annual award amount over the terms, quarters, trimesters, etc., during which the student will be enrolled for that academic year. Payment of awards for students accelerating their program of studies is handled by special procedures.

ADJUSTMENTS AND REFUNDS:

If an award recipient does not enroll or meet the eligibility criteria stated, PHEAA expects full refund of the payment within thirty (30) days of receipt of the disbursement. If the student withdraws or is involuntarily separated from the institution after matriculation, PHEAA expects refund in accordance with institutional policy as of the date of separation.

Award recipients have been instructed to report directly to you all other financial aid awarded them. This procedure has been adopted to insure adjustments are made by the financial aid officer as set forth in the regulations of PHEAA.

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SCHOLARSHIP INELIGIBILITY NOTICE

Institution Copy

APPENDIX C

THIS NOTICE RESCINDS ANY PREVIOUS NOTICE.

PENNSYLVANIA HIGHER EDUCATION ASSISTANCE AGENCY
TOWNE HOUSE
HARRISBURG, PENNSYLVANIA 17102

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10/07/70	186-44-3145	125232

IMPORTANT: READ BOTH SIDES OF THIS NOTICE AND RETAIN IT FOR YOUR FILES.

Dear Financial Aid Officer:

The above named student did not qualify for scholarship assistance during the 1970-71 academic year for the reason(s) cited below. An explanation of all codes is found on the reverse side of this letter.

If reason Code A, B or C (no financial need for scholarship assistance) appears, the information used to make that determination is printed below. Financial information is not provided for students rejected for reasons other than no financial need, such as non-residency, non-citizenship, etc.

REASON CODE(S): A **(See explanation on reverse side)**

Marital Status	Veteran	Full-Time Auto Use	High School Graduation Year
SINGLE	NO	NO	1970

Family Gross Income (Includes Non-Taxable Income & G. I. Bill Benefits)	Income Offset For Working Mother	Number of Dependent Children	Income Offset for Other Children in College	Student Income	Income PHEAA Used After Adjustments
$ 12,744	$ NONE	03	$ NONE	$ NONE	$ 12,744

Family Gross Assets	Applicant's Savings	Extraordinary Expenses	PHEAA Asset Allowance	Assets PHEAA Used After Adjustments
$ 4,636	$ 155	$ NONE	$ 10,000	$ NONE

Contribution From Income	Contribution From Assets	Other Student Income From Annuities, Stocks, Gifts, Bonds, etc.	Total Family Contribution
$ 1,812	$ NONE	$ NONE	$ 1,812

Student Housing Status	PHEAA Educational Costs	PHEAA Computed Financial Need	Unmet Financial Need
ON-CAMPUS	$ 1,710	$ NONE	$ NONE

Kenneth R. Reeher
Executive Director

S 381 7/69

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A The PHEAA expected contribution from the student's family's income and assets exceeds allowable educational costs for one academic year.

B The income as reported to PHEAA with the student's application exceeds the limit established for Commonwealth scholarship recipients for the 1970-71 academic year.

C The assets reported on the student's application (after deduction of allowable liabilities) exceed the limit established by PHEAA for Commonwealth scholarship recipients for the 1970-71 academic year.

D The student indicated on his application that he (and his parents if the student is under 21 years of age) has not been a legal resident of Pennsylvania for twelve consecutive months immediately prior to the date the student filed his application, as required by the scholarship law. (Time spent as a student does not count towards residency - the twelve months for students must be immediately prior to enrollment).

E The student indicated on his application that he is not a citizen of the United States nor taking legal steps to become a citizen.

F Your institution is not approved by PHEAA for purposes of the Commonwealth Scholarship Program.

G The student indicated on his application that he plans to enroll in a course of study not approved by PHEAA for scholarship purposes.

H The student indicated that he plans to enter a one year program of study. State scholarships are not granted for programs of less than two academic years' duration.

I The student indicated on his application that he will not be a full-time student. Scholarships cannot be granted to part-time students.

J The student indicated on his application that he will be a graduate student. The law limits scholarships to undergraduates.

K The student indicated on his application that he will be living away from home during the 1970-71 academic year and that he will have full-time use of an automobile. PHEAA policy prohibits scholarships under these conditions except when authorized to cover unusual circumstances after PHEAA review.

M The student indicated on his application that he plans to study for a degree, but did not submit the College Board Scholastic Aptitude Test scores which are required (minimum combined score of 800) from all current year high school graduates.

N The student is not qualified for state scholarship consideration in a degree program because his College Board SAT scores were below the required 800 (V+M) score.

P According to the Agency's record of the student's "year in school" for 1969-70 and that which he indicated on his renewal application for 1970-71, he has not advanced one academic year (for example, freshman to sophomore) as required for continued state scholarship assistance.

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PARENTAL CONTRIBUTION TABLE

NUMBER OF DEPENDENT CHILDREN -	1	2	3	4	5	6	7	8	9	10
	CONTRIBUTION EXPECTED TOWARD EDUCATIONAL COSTS FROM INCOME									
GROSS FAMILY INCOME*										
$5200	$150	$106								
5400	172	122	$103							
5600	196	140	118	$100						
5800	220	158	133	113						
6000	246	177	150	127	$107					
6200	273	198	167	142	120					
6400	301	219	185	158	133	$101				
6600	330	242	204	174	147	112				
6800	361	266	225	192	162	123				
7000	393	291	246	210	178	136				
7200	426	317	268	229	194	148	$107			
7400	460	344	292	249	211	161	117			
7600	495	372	316	270	228	175	127			
7800	532	402	341	292	247	190	138			
8000	569	432	367	314	266	205	149	$100		
8200	608	465	394	338	286	221	161	109		
8400	649	498	423	363	308	238	174	118		
8600	690	533	452	388	330	255	187	127		
8800	732	568	483	415	352	272	200	137		
9000	776	605	514	442	376	291	214	148		
9200	821	644	547	471	400	310	229	158	$100	
9400	867	683	581	500	425	330	244	170	108	
9600	915	725	617	531	452	351	260	182	117	
9800	963	767	653	562	478	373	277	194	126	
10000	1013	810	690	595	507	395	294	207	135	
10200	1084	872	742	641	545	426	317	224	147	
10400	1156	934	796	687	585	458	342	242	160	$107
10600	1231	1000	852	736	627	491	367	261	174	118
10800	1307	1067	909	786	670	525	394	281	188	128
11000	1385	1136	969	838	715	561	421	302	203	140
11200	1466	1202	1025	887	756	594	446	319	215	148
11400	1548	1269	1083	937	799	627	471	337	227	156
11600	1632	1338	1142	987	842	661	496	355	240	165
11800	1718	1409	1202	1039	886	696	522	374	252	174
12000	1928	1581	1349	1166	995	781	586	420	283	195
12200	2143	1757	1499	1297	1106	868	651	467	315	216
12400	2364	1938	1654	1430	1220	957	719	515	347	239
12600	2591	2125	1812	1568	1337	1049	788	564	381	262
12800	2824	2316	1975	1709	1457	1144	858	615	415	285
13000	3063	2512	2143	1853	1581	1241	931	667	450	309
13200	3308	2713	2314	2001	1707	1340	1006	720	486	334
13400	3559	2918	2490	2153	1836	1441	1082	775	523	359
13600	3815	3128	2669	2308	1969	1545	1160	831	560	385
13800	4078	3344	2853	2467	2104	1652	1240	888	599	412
14000	4200	3565	3041	2630	2243	1761	1321	947	639	439
14200	4200	3790	3233	2796	2385	1872	1405	1007	679	467
14400	4200	4020	3429	2966	2529	1985	1490	1068	720	495
14600	4200	4200	3630	3139	2678	2102	1577	1130	762	524
14800	4200	4200	3835	3317	2829	2220	1667	1194	805	554
15000	4200	4200	4043	3497	2982	2341	1757	1259	849	584

* EXCLUDING ALLOWANCE FOR WORKING MOTHER AND OTHER CHILDREN IN COLLEGE.

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APPENDIX E

Letter to Parents Announcing the State Scholarship Program and Procedure to Follow in Estimating Amount of Aid Available

To The Parents of All Graduates:

This letter is to inform you of the state scholarship program available to all graduates with financial need, and to provide you with an easy method of estimating the amount of aid for which your child may qualify.

Enclosed with this letter are the following materials:

1. Brochure describing the state scholarship program
2. Application for scholarship aid
3. Worksheet to use in estimating aid
4. Contribution Table to use with the worksheet

When your child decides which schools he wishes to consider, he must consult his high school counselor to obtain the costs for those schools and the maximum awards available at them.

Remember, you are only estimating the amount of the award. The Agency will notify you officially after analysis of the enclosed application. Further information is available by writing or telephoning the person listed at the bottom of this letter.

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APPENDIX F

Worksheet to Estimate Possible Financial Aid

Note: Before beginning, be certain you have a copy of your Income Tax Form 1040A from last year, the listing of educational costs of the schools your child is considering, and the Parental Contribution Table that accompanied this form.

Step 1.	Enter line 15c from your Income Tax Form 1040A. If you have non-taxable income or G.I. Bill benefits, include this as well on Line 1.	Line 1 _____
Step 2.	If both husband and wife work, place $500 on Line 2. If both did not work, put down zero on Line 2.	Line 2 _____
Step 3.	Subtract Line 2 from Line 1 and place on Line 3.	Line 3 _____
Step 4.	If your child worked last year, place the amount earned on Line 4.	Line 4 _____
Step 5.	Deduct $800 from this amount and place that figure on Line 5. If earnings were less than $800, put down zero on Line 5.	Line 5 _____
Step 6.	Subtract the total savings of your child from the amount of Line 5 and place that figure on Line 6. If Line 5 was zero or if savings are more than the total of Line 5, place a zero on Line 6.	Line 6 _____
Step 7.	Add Line 3 and Line 6 and place on Line 7. This total is your net income and will be referred to later.	Line 7 _____
Step 8.	Enter on Line 8 your total assets which must include your savings, the value of your stocks, your mutual funds, your trusts, any other investments you might have, and the amount of equity you have in your home.	Line 8 _____
Step 9.	Put down the total savings of your child on Line 9. If there are no savings, put down zero.	Line 9 _____

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APPENDIX F

Worksheet--Continued

Step 10.	Add Line 8 and Line 9 and put total on Line 10.	**Line 10** _____
Step 11.	Put down on Line 11 any cost of emergency home repairs, child support payments, and education loan payments up to $2,500. If zero, put down zero.	**Line 11** _____
Step 12.	Subtract Line 11 from Line 10 and put that amount on Line 12.	**Line 12** _____
Step 13.	Subtract $10,000 from Line 12 and put the amount on Line 13. If the head of your household is dead, disabled or retired, you can add $10,000 for all your children fully dependent upon you.	**Line 13** _____
Step 14.	Line 13 represents your net assets. If Line 13 is less than $19,999, take 1% of this figure and put down this figure on Line 14. If Line 13 is between $20,000 and $24,999, take 2% of this figure, add $200 to it and put this figure down on Line 14. If Line 13 is between $25,000 and $29,999, take 3% of this figure, add $300 to it and put this figure down on Line 14. Line 14 is the amount you are expected to contribute from your asset toward your child's education.	**Line 14** _____
Step 15.	Take the amount of your net income which you have placed on Line 7. Find that amount on the Parents' Contribution Table along the left hand side. Find your total dependents at the top of the table. Follow those two figures down and across and find the amount you are expected to contribute from your income. Enter this amount on Line 15.	**Line 15** _____
Step 16.	Add Line 14 and Line 15 and put that figure down on Line 16.	**Line 16** _____

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APPENDIX F

Worksheet--Continued

Step 17. If your child earned income from stocks, bonds, gifts, or annuities, place those total earnings on Line 17. If this figure is zero, put down zero on Line 17. **Line 17** _____

Step 18. Add Line 17 and Line 17 and put total on Line 18. **Line 18** _____

Step 19. Line 18 is the amount you are expected to contribute toward your child's education. To estimate the amount of financial aid, it will be necessary for you to use the educational cost figures your child obtained from his counselor. Take the amount of educational costs for the schools you are considering and subtract what you are expected to contribute from that figure. You also must check the maximum award for that school. You can estimate your award as the smaller of these two amounts. If the total you are expected to contribute is more than the educational costs, your child obviously does not qualify for an award. **Line 19** _____

Important Note: The purpose of this worksheet is to assist you and your child in educational planning. It must be remembered that you have developed only an estimated figure of possible financial aid from the state scholarship program.

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APPENDIX G

To Whom It May Concern:

The seven hundred and fifty-six of the Pennsylvania Higher Education Assistance Agency Forms S3BA and seven hundred and thirty-three Forms S3BI used to make the comparisons of similarities and differences between awardees and non-awardees were provided by the Pennsylvania State University Office of Student Aid, located at University Park, Pennsylvania.

Sincerely,

Ralph N. Krecker

Ralph N. Krecker
Director of Student Aid

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VITA

Richard R. Mellott was born in Clearfield, Pennsylvania on January 22, 1933, and graduated from Clearfield High School in 1950. He received a Bachelor of Science degree with a major in Secondary Education from Indiana University of Pennsylvania, Indiana, Pennsylvania in 1958. A Master of Education program was completed in 1961 at the University of Pittsburgh, Pittsburgh, Pennsylvania.

From 1953 to 1955, Mr. Mellott served in the United States Army. After basic training, he was trained as a finance specialist and served his military career in that capacity at Fort Bragg, North Carolina.

Mr. Mellott was employed by the Ligonier Valley School District from 1958 to 1962, and served in various capacities including classroom teacher, basketball coach, director of guidance, assistant principal and acting principal. From 1962 to 1967, Mr. Mellott served as director of guidance in the Fox Chapel Area School District located in the suburban Pittsburgh, Pennsylvania area.

Since 1967, Mr. Mellott has been employed by The Pennsylvania State University in the position of Dean of Student Affairs at the University's New Kensington Campus.

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