

Federal Supplemental Educational Opportunity Grant Program (CFDA No. 84.007)

I. Legislation

Higher Education Act (HEA) of 1965, Title IV, Part A, Subpart 2, as amended (20 U.S.C. 1070b to 1070b-3) (expires September 30, 1997).

II. Funding History

| <u>Fiscal Year</u> | <u>Appropriation</u> | <u>Fiscal Year</u> | <u>Appropriation</u> |
|--------------------|----------------------|--------------------|----------------------|
| 1966 | \$58,000,000 | 1987 | \$412,500,000 |
| 1970 | 164,600,000 | 1988 | 408,415,000 |
| 1975 | 240,300,000 | 1989 | 437,972,000 |
| 1980 | 370,000,000 | 1990 | 458,650,000 |
| 1981 | 370,000,000 | 1991 | 520,155,000 |
| 1982 | 355,400,000 | 1992 | 577,000,000 |
| 1983 | 355,400,000 | 1993 | 585,300,000 |
| 1984 | 375,000,000 | 1994 | 583,407,000 |
| 1985 | 412,500,000 | 1995 | 584,407,000 |
| 1986 | 394,762,000 | 1996 | 584,407,000 |

III. Analysis of Program Performance

A. Goals and Objectives

To help financially needy undergraduate students meet the costs of their education by providing supplemental grant assistance through participating postsecondary institutions.

B. Strategies to Achieve the Goals

Services Supported

Federal Supplemental Educational Opportunity Grants (FSEOGs) are available to undergraduate students who attend participating postsecondary institutions and meet certain other criteria (e.g., have a high school diploma or its equivalent or have passed an exam approved by the Secretary of Education). Students must also demonstrate financial need, which is based on the cost of education and the ability of the student or student and family to pay this cost and calculated in accordance with a congressionally specified formula. Final award amounts are determined by the postsecondary institution and depends on the amount of funds available at the institution and the institution's aid packaging philosophy.

The FSEOG program, Federal Perkins Loan Program, and the Federal Work-Study Program are collectively referred to as Campus-Based Programs because the institution determines which eligible students receive aid and how much they receive.

Program Administration

Until the 1991-92 awards year, FSEOG awards were funded entirely by the federal government; since then FSEOG awards have been a combination of federal and institutional contributions. Beginning the 1993-94 award year, the minimum institutional contribution became 25 percent. The institutional share may be waived under certain circumstances approved by the Secretary.

The disbursement of FSEOG awards is a two-step process. First, the Department of Education allocates funds to eligible postsecondary institutions according to a formula that incorporates a guaranteed minimum based on the institution's FSEOG expenditures in the 1985-86 award year, and increases based on a measure of institutional need. Second, institutions award these funds to eligible students, with first priority given to students with exceptional need who also receive Pell Grants.

After award of FSEOG funds to all eligible Pell Grant recipients (in order of lowest family contribution), FSEOG funds are awarded to other recipients with the lowest family contribution.

The maximum award for an academic year is \$4,000 and the minimum award for a full academic year is \$100.

C. Program Performance—Indicators of Impact and Effectiveness

Analyses of data from the most recent National Postsecondary Student Aid Study (V.2.) by the Department's Planning and Evaluation Service, presented in Table 1, show that:

- Overall, 5.2 percent of all postsecondary students received FSEOG awards. The proportion of students receiving awards varies with the type of institution attended, ranging from 2.7 percent at two-year public institutions to 10.5 percent at private and proprietary institutions.
- The FSEOG program is strongly targeted at lower-income students. For students from families with incomes less than \$10,000, 15.7 percent of full-time dependent students received awards and 28 percent of those enrolled in private institutions received awards. Only 1.6 percent of full-time dependent students with family incomes at \$30,000 and above received awards.
- FSEOG awards are rarely given to part-time students; only 2.6 percent of part-time students received FSEOG awards.

Table 1
Percentage Of Students Participating In The FSEOG Program
1992-93 Award Year

| | All | Type of Institution | | | | Status | |
|-------------------|------|---------------------|----------------|---------|-------|---------------|---------------|
| | | 2-Yr Public | 4-Yr Public | Private | Prop. | Full- time | Part- time |
| All | 5.2% | 2.7% | 5.4% | 9.0% | 10.5% | 7.9% | 2.6% |
| Dependent | 4.7 | 1.5 | 4.7 | 10.2 | 6.6 | 6.0 | 2.3 |
| Income | | | | | | | |
| Under \$10,000 | 15.7 | 6.8 | 15.8 | 31.9 | 11.5 | 20.9 | 6.7 |
| \$10,000-\$29,000 | 12.2 | 3.3 | 13.6 | 28.0 | 12.8 | 16.7 | 5.6 |
| \$30,000+ | 1.6 | 0.5 | 1.6 | 3.8 | 1.1 | 2.0 | 1.0 |
| Independent | 5.8 | 3.5 | 7.2 | 8.3 | 12.5 | 12.9 | 2.8 |
| Income | | | | | | | |
| Under \$10,000 | 14.7 | 11.1 | 14.5 | 21.1 | 18.1 | 19.3 | 10.0 |
| \$10,000+ | 3.0 | 1.9 | 3.7 | 3.9 | 8.3 | 7.8 | 1.6 |

Source: III.2.

Note: The percentage of participation is for each grouping of students that is described by the intersecting row and column descriptors (e.g., 15.8 percent of dependents with income under \$10,000 attending 4-year public institutions received FSEOG awards).

Population Targeting and Services

Participation. In the 1995-96 award year, the most recent year for which information is available, 1,082,851 students received FSEOG awards averaging \$706. This is a slight increase in the number of recipients from the 1994-95 award year, when 1,056,560 students received awards averaging \$715.

Distribution by sector. Table 2 shows the distribution of FSEOG funds across types of institutions between 1983-84, when these data were first collected, and 1995-96. The table shows a slight decrease in the nonprofit share--increase in the nonprofit share 41.5 percent in 1995-96 versus 41.8 percent in 1983-84.

Institutional participation in the program also has decreased slightly: In 1993-94, 4,215 institutions received program funds, whereas 4,095 participated in 1995-96. Of the 4,095 institutions receiving funds, 36 percent were public, 33 percent were private, nonprofit, and 31 percent were proprietary (private, for-profit) institutions (V.1).

Table 2

**Percentage Distribution Of FSEOG Funds To Students
By Type Of Institution,
Award Years, (Percent) 1983-84 to 1995-96**

| Award Year | Public | Nonprofit | Private Proprietary |
|------------|--------|-----------|------------------------|
| 1995-96 | 51.1% | 41.5% | 7.4% |
| 1994-95 | 49.2 | 42.4 | 8.2 |
| 1993-94 | 47.4 | 43.0 | 9.6 |
| 1992-93 | 46.5 | 43.1 | 9.6 |
| 1991-92 | 46.3 | 43.0 | 10.7 |
| 1990-91 | 48.1 | 42.0 | 9.9 |
| 1989-90 | 48.2 | 40.3 | 11.5 |
| 1988-89 | 49.7 | 41.3 | 9.0 |
| 1987-88 | 48.4 | 41.4 | 10.2 |
| 1986-87 | 49.0 | 41.4 | 9.6 |
| 1985-86 | 48.5 | 41.9 | 9.6 |
| 1984-85 | 49.4 | 41.9 | 8.7 |
| 1983-84 | 49.8 | 41.8 | 8.4 |

Source: V.1.

Distribution by dependency status. The composition of recipients has changed since 1983-84. Table 3 shows that since 1983, independent students have made up an increasing proportion of FSEOG recipients. In the 1994-95 award year, 41.9 percent of all recipients were independent students, compared with 30.1 percent in 1983-84.

Table 3
Percentage Distribution Of FSEOG Recipients
By Dependency Status
1983-84 to 1995-96

| Award Year | Dependent | Independent |
|------------|-----------|-------------|
| 1995-96 | 45.5% | 54.5% |
| 1994-95 | 58.1 | 41.9 |
| 1993-94 | 59.1 | 40.9 |
| 1992-93 | 44.3 | 55.7 |
| 1991-92 | 45.5 | 54.5 |
| 1990-91 | 49.4 | 50.6 |
| 1989-90 | 51.7 | 48.3 |
| 1988-89 | 54.3 | 45.7 |
| 1987-88 | 60.6 | 39.4 |
| 1986-87 | 67.8 | 32.1 |
| 1985-86 | 68.1 | 31.8 |
| 1984-85 | 69.0 | 31.0 |
| 1983-84 | 69.9 | 30.1 |

Source: V.1.

The data in Table 4 show that FSEOG awards tend to be substantially larger for dependent students than independent students (\$892 versus \$550). Dependent students accounted for 45.5 percent of all recipients but received 57.5 percent of FSEOG funds distributed during the 1995-96 academic year.

Distribution by income. Table 5 shows the distribution of awards by family income for dependent undergraduates. Students from families with income less than \$30,000 (approximate median family income) made up 79.6 percent of all dependent undergraduate recipients and received 78.1 percent of FSEOG funds awarded to dependent students during the 1995-96 award year. Across income groups, however, average awards increased in general with the level of family income, probably because students from higher-income families are more likely to attend higher-cost institutions. Given the formulas used to determine need, low-income students may not be eligible for higher awards even though they have lower expected family contributions, because they may attend lower-cost schools and receive higher Pell Grant awards. Both factors may act to reduce their need relative to that of higher-income students.

Table 4

Distribution Of FSEOG Awards By Dependency Status For All Students 1995-96

| | Dependent | Independent | All Students |
|---------------------------------------|------------------|--------------------|---------------------|
| Percentage Distribution of Recipients | 45.5% | 54.5% | 100.0% |
| Percentage Distribution of Aid | 57.5% | 42.5% | 100.0% |
| Average Award | \$892 | \$550 | \$706 |

Source: V.1.

Table 5

**Distribution Of FSEOG Awards By Family Income For
Dependent Undergraduates Students 1995-96 Award Year**

| Dependent Undergraduate Students | | | | | | | | |
|---|------------------|----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------|-------|
| | Under \$6,000 | \$6,000- \$11,999 | \$12,000- \$23,999 | \$24,000- \$29,999 | \$30,000- \$41,999 | \$42,000- \$59,999 | \$60,000+ | Total |
| Percentage Distribution of Recipients | 13.4% | 15.7% | 36.3% | 14.3% | 14.2% | 4.9% | 1.2% | 100.0 |
| Percentage Distribution of Aid | 12.8 | 14.1 | 36.4 | 14.8 | 15.2 | 5.4 | 1.3 | 100.0 |
| Average Award | \$850 | \$804 | \$893 | \$825 | \$955 | \$970 | \$975 | \$892 |

Source: V.I

Chapter 505-8

Please see Campus-Based Programs Performance Measures displayed in Chapter 504. See also Office-Wide Performance Indicators for the Office of Postsecondary Education displayed in the Overview (OPS) to the postsecondary education programs.

IV. Planned Studies

The National Postsecondary Student Aid Study for the 1995-96 school year will be available in FY 1997. The study is repeated at three-year intervals.

V. Sources Of Information

1. Fiscal Operations Report 1994-95, published tables from Forecasting and Analysis Unit, Policy, Budget and Analysis Section, Office of Policy, Planning, and Innovation, U.S. Department of Education.
2. National Postsecondary Student Aid Study, (Washington, DC: U.S. Department of Education, National Center for Education Statistics, 1992).

VI. Contacts for Further Information

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