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## **IX. Revenue Sources: Financial Aid**

**CUNY students have state and federal as well as a limited degree of institution-sponsored financial aid available to them, increasing the ability of low income students to attend the university; however, there are significant restrictions on the use of financial aid, particularly with respect to remediation.**

### **Key Findings**

- CUNY students receive approximately \$479 million in financial aid, the majority of which is direct grant support from New York's Tuition Assistance Program (TAP) and the federal Pell grant program.
- New York provides more student financial aid per capita than any other state, somewhat reducing the burden of the university's high tuition on CUNY students.
- The state has recently put restrictions on the use of TAP funding requiring that students enroll in credit bearing courses while engaged in remediation, as well as limiting the maximum number of years in which financial aid can be received.

**Although CUNY tuition has grown significantly since 1980, direct state financial aid for tuition has helped to defray the financial burden on students (see Table 19).**

- While New York state has high tuition rates compared to peer institutions, it has also put substantial dollars into financial aid—specifically the Tuition Assistance Program (TAP) which provides direct grants for student tuition.
- TAP grants are based on student need and may fund as much as 90% of tuition.
- By letting dollars follow students, New York hopes to increase university accountability. This policy also allows the state to provide additional support for private institutions, which is especially important given the significant role that these institutions play in educating New York State’s population. In 1997, New York provided the highest financial aid per capita of any state in the country.

*Table 19*  
**TAP Funding (FY97)\***  
**(in millions)**

Community	\$57
Senior	\$100
<b>Total</b>	<b>\$157</b>

\* All financial aid figures in this section of the report have been derived from Fall 1996 statistics from the CUNY student data book in order to compile general background information on the role of financial aid at CUNY. They do not represent an exact accounting of financial aid dollars for fiscal year 1997.

\*\*CUNY financial systems were unable to produce TAP and other financial aid statements in a timely manner that could separate financial aid between senior and hybrid colleges.

**In addition to direct tuition support, CUNY students may access additional grants, loans, and work study dollars, which may fund either tuition or cost of living expenses (see Table 20).**

- In FY97 CUNY students received approximately \$479 million in financial aid made up of the following major components:
  - *TAP Grants* (35%) - TAP is the state's need-based tuition aid program.
  - *Other Grants* (33%) - The federal Pell grants comprise most of the Other Grant category. They are need-based and may be used for either tuition or cost of living expenses.
  - *Loans* (30%) - Students also receive \$144 million in loans; these may be taken out either from the Federal Perkins Loan Program or direct subsidized/unsubsidized or Plus loans directly from CUNY.
  - *Work Study* (2%) - A small amount of federal funding is also available for work study.

*Table 20*  
**FY97 Financial Aid (in millions)**

	<i>TAP Grants</i>		<i>Other Grants</i>		<i>Loans</i>		<i>Work Study</i>		<i>Total</i>	
<b>Senior</b>	\$100	31%	\$97	30%	\$117	37%	\$5	2%	\$319	100%
<b>Community</b>	\$57	36%	\$71	44%	\$27	17%	\$5	3%	\$160	100%
<b>Total</b>	\$157	35%	\$168	33%	\$144	30%	\$10	2%	\$479	100%

Source: CUNY

\*CUNY financial systems were unable to produce TAP and other financial aid statements in a timely manner that could separate financial aid between senior and hybrid colleges.

**Approximately 110,000 students receive financial aid. Students with the greatest need typically receive TAP and Pell support. Students with less need receive less TAP and Pell, and use loans and work study to fund additional expenses.**

*Figure 40*

<b>Standard Financial Aid Packages at CUNY *</b>	
<b>Family Income</b>	<b>Sample Financial Aid Package</b>
<b>I. Less than \$25,000</b>	* TAP: \$2,250–\$2,880 * Pell: \$3,000
<b>II. \$25,000–\$50,000</b>	* TAP: \$275 - \$2,000 * Pell: \$400 - 2,500 * Supplementary loan and work study
<b>III. Greater than \$50,000</b>	* Majority loan and minimal grant and work study

- CUNY students receive more financial aid dollars than they contribute to tuition each year. In FY97 CUNY students paid \$412 million in tuition and fees and received \$479 million in financial aid. The difference funds books, supplies and living expenses.
- Approximately 42,000 CUNY students qualified for a combination of TAP and Pell funding that exceeded tuition.
- In addition to the sources listed in Figure 40, there are a number of supplementary funds available for special constituencies such as Search for Education, Elevation and Knowledge (SEEK) students or veterans, as well as special scholarships and fellowships awarded by each campus.

\* Estimates are based on FY98-99 projections.

**On average, senior college students depend more heavily on loans, while community college students receive significantly more support from grants (Table 21).**

- Because the income profile for community college students is typically lower than for senior college students, community college students qualify for larger grant awards.
- Senior college students supplement lower grant awards with more loan funding.
- The total aid package tends to be higher at the senior colleges due to higher tuition rates.

*Table 21*  
**Average Financial Aid per FTE**

	<b>Grants</b>		<b>Loans</b>		<b>Work Study</b>		<b>Total</b>	
<b>Senior</b>	\$1,877	62%	\$1,115	37%	\$48	2%	\$3,040	100%
<b>Community</b>	\$2,210	80%	\$466	17%	\$86	3%	\$2,762	100%

Source: CUNY

\*CUNY financial systems were unable to produce TAP and other financial aid statements in a timely manner that could separate financial aid money between senior and hybrid colleges.

**Eleven percent of available financial aid funding - approximately \$50 million - is dedicated to funding remedial education (Table 22).**

- Mirroring overall trends in the community colleges and at the lower level of the senior colleges, remedial students receive a substantially greater proportion of aid from grant funding than loan funding, 13% as opposed to 4%. This is due to the fact that lower level students on average have lower income profiles.
- On the whole, however, remedial students do not receive significantly more funding per FTE than non-remedial students. While the income level of average remedial student may be lower (which increases aid awards), senior college aid awards are increased by higher tuition rates.

*Table 22*  
**Proportion of Aid Dedicated to Remedial Education (FY97)**

	<i>Grants</i>	<i>Loans</i>	<i>Work Study</i>	<i>Total</i>
<b>Regular</b>	87%	96%	88%	<b>89%</b>
<b>Remedial</b>	13%	4%	12%	<b>11%</b>
<b>Total</b>	100%	100%	100%	<b>100%</b>

Source: CUNY

**To access this financial aid, CUNY students also must contend with a number of restrictions that govern their choice of courses and the length of time in which they must complete their degrees.**

- TAP has the largest restrictions on how aid must be used. Students must take remedial and credit bearing courses in order to qualify for TAP funds. This is a change from earlier New York State policy which allowed students to take one full year of remedial education before starting credit bearing courses.
- TAP has also reduced the maximum years allowable to complete an associate degree from four to three. TAP allows students approximately four years to complete a baccalaureate degree, though students enrolled in educational opportunity programs such as SEEK and College Discovery are given five years.
- At the same time as restrictions on TAP funding have tightened, the dollars available to students through the federal Pell program have increased - from \$2,400 in FY96 to \$3,000 in FY99.