



WESTERN KENTUCKY UNIVERSITY

BOWLING GREEN, KENTUCKY 42101

February 8, 1979

Department of
Student Financial Aid

MEMORANDUM TO: Dr. Donald Butler, Program Coordinator, CCVTE
FROM: Mrs. Mona Logsdon, Department of Student Financial Aid *ML*
RE: Basic Educational Opportunity Grant Program at Western

In regard to our recent conversation, the following summary is provided for your information.

The Basic Educational Opportunity Grant is a non-repayable award based on family income and total school costs. The Program for undergraduate students was funded in 1973 and some 3 million students at post secondary institutions will receive BEOG awards during the 1979-80 year. The purpose of the BEOG Program is to provide a financial base for students whose family income level's are such that the family can assist in only a limited way.

A total 2,600 Western students were eligible for varying amounts of assistance through the Basic Grant Program for the 1978-79 academic year.

In compliance with recent federal directives, each participating institution is required to validate 10% of applications to verify the data submitted in the students Financial Aid Form (FAF) is consistent with the information submitted on the family's federal income tax 1040 form. The fact that an application is selected for the validation process in no way implies fraudulent intent by the particular student. Selections for validation are made by the U.S. Office of Education, not the University, and are done so on a random basis. To date, 163 full-time students at Western have submitted Student Eligibility Reports requiring validation. According to Mr. John Holder, Staff Assistant in Western's Department of Student Financial Aid and coordinator of the BEOG Program, less than one percent of the cases validated at Western represent instances of fraudulent intent. Rather, indications are that any inconsistencies in data are a result of a lack of understanding on the part of the students and/or their parent in providing complete and accurate financial information.

Recent statistics released by the U.S. Office of Education indicating widespread fraud and abuse contain data from proprietary schools, business colleges, barber & beauty colleges etc. There is substantive evidence which indicates that financial assistance programs are generally administered in such schools by paraprofessionals who also have numerous other administrative and clerical responsibilities and are not, by strict definition, trained, professional financial aid administrators. Lack of continuity in complying with federal guidelines also results from the high turnover rate among administrators in these schools as contrasted with a more stable situation in the state supported post-secondary institutions. Therefore, such statistics may contain data which inflates the overall percentage rate of abuse in the program.

With regard to the academic requirements of BEOG recipients, in order to participate in any of the major financial assistance programs which are available at any institution, a student must make satisfactory academic progress in accordance with the academic policies of the University and federal and state guidelines. In the event that satisfactory academic progress is not maintained financial aid funds must be withheld. If satisfactory progress has been reestablished at mid-term, payment may be made retroactively for that particular payment period.

As a further screening device at Western, the awards for all students who have less than 2.0 cumulative GPA are reviewed on an individual basis. Personal conferences are scheduled if deemed necessary and students who are denied aid as a result of these conferences have the option of an appeal procedure.

In addition to the internal auditing procedures implemented by the University in strict compliance with the intent of the enabling legislation, and the federally instituted validation process, a private consulting firm commissioned by the U.S. Office of Education selected WKU as one of two post-secondary institutions in Kentucky whose BEOG Programs was reviewed this year.

I have attached a copy of an article from the January 16, 1979, issue of the Courier-Journal. It provides an accurate and timely interpretation of the situation as it currently exists in the BEOG Program.

We appreciate the opportunity to share this information with you and with other members of the Faculty Senate. Please contact me at 745-2755 if I can be of further assistance.

ML:mlp