

A Harsh Lesson in College Math

With Budgets Strained, Record Numbers Appeal Financial Aid Decisions

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College students are appealing financial aid decisions this summer in unprecedented numbers, an outpouring of need that underscores how layoffs and pay cuts have battered household budgets in the past year.

Mick Gulli lost his job as a beverage distributor in May. He didn't know how he would send his middle daughter, Layne, back to Virginia Tech, where her junior year will cost \$19,700 in tuition and fees, room and board, transportation and books. Then his wife saw personal-finance expert Suze Orman on "The Oprah Winfrey Show," explaining how cash-strapped college students could appeal for more aid.

Gulli appealed, and Virginia Tech delivered: a package of \$9,820 in grants and \$6,500 in loans, thousands more than Layne would have received without an appeal.

"It was the best news we've had in quite a long time," said Gulli, of Roanoke County, Va., whose misfortune had deepened with the recent death of his father. "I can't tell you how important it is to us to get our daughter educated."

Appealing for more aid was a little-known and seldom-advertised option in higher education until this year. U.S. Education Department officials wrote to financial aid administrators in the spring, when most aid decisions are made, urging them to "reach out to your students . . . particularly those who seem to have hit a rough patch, to make sure that they know there may be ways that you can help."

Because of lost income, thousands of students across the Washington area qualify for more aid this fall than they were awarded this spring. Aid formulas project a student's 2009 needs based on 2008 earnings. But unemployment nearly doubled in Maryland between June 2008 and June 2009, from 4.4 percent to 7.5 percent, with similar spikes in Virginia and the District.

"The best predictor usually is the previous year. Well, it isn't this year," said John DeCourcy, financial aid director at Washington and Lee University in Lexington, Va.

The economic fallout, coupled with record college enrollment and the aid push by President Obama's administration, sent appeals into overdrive.

The University of Maryland has logged nearly 1,000 appeals for the 2009-10 academic year, nearly twice the number in all of the previous year. (Financial aid works on an 18-month cycle, and the cycle for 2009-10 began in January.) Washington and Lee is processing about 50 appeals this year, compared with a normal tally of about 15. Virginia Tech has received 348 appeals this cycle to date, compared with 294 for all of last cycle. George Mason University students have filed 369 appeals so far this year, compared with 289 in the full 2008-09 academic year. Marymount University, George Washington University and James Madison University and all report the same trend.

"I'm seeing things I haven't seen in 20 years," said Sarah Bauder, financial aid director at U-Md. One of her clients is the child of a real estate mogul who lost everything; another is a family fleeced in Bernard Madoff's Ponzi scheme.

Nationwide, appeals among students filing the [Free Application for Federal Student Aid](#) totaled 106,189 so far this cycle and were on pace to exceed the 143,672 appeals filed in 2008-09. Appeals have risen steadily since 2007-08, when they totaled 112,407.

Families increasingly have stretched their finances to pay college tuition, which has been rising faster than inflation for years. But this year has been particularly difficult as college savings plans have tumbled amid stock market losses. More students are seeking aid; for example, the volume of applications rose 12 percent at U-Md. and 13 percent at Virginia Tech this year. Colleges expected that more students than usual would balk at attending, and they admitted slightly larger classes this year to compensate.

Aid appeals are coming from across the spectrum of salary and class. Students are appealing for aid at \$8,000-a-year state schools and \$30,000 private institutions alike.

Debbie Berg of Winchester, Va., appealed to George Mason for more aid for her daughter Kristen, a junior. Her husband, a doctor, closed his practice last year because it wasn't bringing in enough money. The family had already tapped a home equity line and retirement funds to support the practice and their older daughter, who graduated from Cornell University in May.

"We weren't really in a position to take out more loans to be able to help Kristen," Berg said.

The appeal netted \$3,000 in grants for Kristen, on top of the \$7,500 in loans she had already been awarded. The extra funds "will basically pay for about six months of her housing," Berg said, "which is better than nothing, and it wasn't another loan."

Universities are hard-pressed this year to dole out more aid. State schools are being asked to make cuts. Private schools are coping with shrunken endowments.

Some types of aid are essentially unlimited, guaranteed by the federal government to any student who demonstrates sufficient need. Colleges can offer, for example, a theoretically endless supply of federal [Pell grants](#) and [Stafford loans](#), both need-based.

But most families appealing for aid want grants, not loans, and Pell grants max out at \$5,350. Students seeking more substantial funds must tap the college's aid budget. Some schools have set aside emergency reserves to cover the onslaught of appeals.

George Mason created a \$150,000 hardship fund last November. Washington and Lee allocated an additional \$1 million in aid; officials say no one has yet been turned away for lack of funds. And U-Md. launched a fundraising campaign called [Keep Me Maryland](#) to help students at risk of dropping out because of economic circumstances. It has raised \$254,000 so far.

Help is not available to everyone who wants it. Students who appeal earlier in the year are more likely to get it, aid officials said. Juniors and seniors, for whom the end of the journey is near, might get preference over freshmen.

Many appeals have not yet been decided. Jevita de Freitas, aid director at George Mason, figures her office will be busy right up to the end of the academic year.

"My pile of appeals has never been as big as it is," she said, "and I've been at Mason 17 years."