

# Admissions and Financial Aid

**T**his year the School of Veterinary Medicine graduated its 100th class. Four years ago the students in this class had been successful candidates in a highly competitive admissions process. They then embarked on an educational program which demands rigorous, full-time application. However, 60 percent of the students also had to contend with the emotional and time-consuming problem of financing their educations.

In a real sense, admission to the School and Financial Aid have some interlocking conditions. Most students applying for admission to Penn's Veterinary School have a strong desire to attend this School. Last year tuition for Pennsylvania residents and contract students was \$9,630. The median tuition for all U.S. Veterinary Schools was \$3,170. Many students are finding it increasingly difficult to meet the high cost of veterinary medical education at Penn. Our School offers financial aid to those students who qualify but because of our high tuition, and because most of our aid is in the form of loans, applicants foresee a gloomy financial situation looming in their future.

The fact that we still have more applications than any other veterinary school in the United States speaks very highly of our reputation, but our unfavorable position on tuition and financial aid may make it more difficult to attract the very best students.

Following is a brief discussion of the admissions and financial aid situations and a consideration of some of the steps which the School is taking to improve the picture.

## Admissions

The admissions procedure is one of the most difficult and time-consuming functions in the School of Veterinary Medicine. Decisions concerning the admissions of new students rest with the Admission Committee, chaired by Dr. Joseph F. Skelley, Associate Dean for Admissions and Student Affairs. In 1985, there were 626 applicants for 109 places; approximately 310 applicants were interviewed by the Admissions Committee.

Students admitted to the School come from one of several categories: Pennsylvania residents, out-of-state residents and contract students. Penn's Veterinary School has the second highest tuition of any veterinary school in the country, and we are increasingly concerned about this disparity. Not only are we interested in quality students, we also wish to maintain a diversity in classes based on such things as socio-economic background, major career interests, geographic distribution and racial and ethnic origin. With our high tuition and the drying-up of sources for financial aid, we are deeply concerned that financial status may become an overriding factor in students applying here and becoming matriculants.

## Student Financial Aid Program

Financial aid, unfortunately, has become a major feature of academic life for about 60 percent of students in the Veterinary School. Unfortunately in that it contributes significantly to the stress felt by many students in their rigorous educational program and it is the source of a substantial debt load accumulated by the time of graduation.

Eligibility for financial aid at the Veterinary School is based strictly on the demonstration of need by the student. Need is established by a careful scrutiny of a student's and his/her family's financial situation.

Once a need is documented, the student becomes eligible for various types of aid. At the Veterinary School almost all financial aid is in the form of loans; we have only limited scholarship funds.

The first \$5,000 of any need must be met with a Guaranteed Student Loan (GSL) which the student obtains from a participating bank. This loan is at 8 percent interest which is paid by the federal government while the student is in school. If a student's need exceeds \$5,000 he/she becomes eligible for other federal funds which are administered by the University. The two primary loan sources in this category are the National Direct Student Loan (NDSL) and the Health Professions Loan (HPL). The NDSL is at 5 percent interest and the HPL interest is 9 percent.

Students may also qualify for aid through the Work-Study Program in which an individual is paid for work (e.g. feeding animals, washing glassware, typing and filing) performed, usually in the Veterinary School. This is a federally funded program.



In addition to these loans and the Work-Study Program, the Veterinary School has some small loan and scholarship funds which are set up by individuals, kennel clubs and pharmaceutical firms.

If the entire need of a student cannot be met through these sources, two courses of action are open: (1) the student must obtain outside loans at a higher rate of interest, or (2) the Veterinary School subsidizes the Financial Aid Program with loan/scholarship money.

There are two types of higher interest loans available to our students, both of which are obtained by the student applying directly to a lender. One of these is the HEAL loan (Health Education Assistance Loan) and the other is the PLUS loan (Parental Loans to Assist Students). The PLUS loan is currently at 12 percent interest which must be paid while the student is in school. Interest on the HEAL loan varies with the rate of Treasury Bills (maximum rate of 91-day T-bill plus 3.6 percent), and while it may be deferred until graduation, it begins to accrue at the time the loan is made. Recently the Pennsylvania Higher Education Assistance Agency (PHEAA) has begun to issue HEAL loans at a lesser rate of interest (maximum rate of 91-day T-bill minus 0.5-1.0 percent).

Most of the major loan programs have limits

which cannot be exceeded. For example, the GSL has an annual limit of \$5,000 and an aggregate limit of \$25,000, including loans made in undergraduate school. The NDSL has an aggregate ceiling of \$12,000, including undergraduate loans. Because of the higher cost of our educational program (increased tuition, higher costs of books and instruments) many students now reach the limit of their NDSL eligibility by the second or third year in school. When this is the case the student must usually obtain loans at the higher interest rate.

A second major problem, also related to the higher costs of education, is that students are accumulating loan debts of staggering levels. An analysis of 51 students in the 1985 graduating class reveals loan debts from \$29,300 to \$63,938. Thus many students just beginning professional and family life (including purchase of expensive instruments and equipment, a home, etc.) are faced with an almost overwhelming financial situation, especially when one considers that the average starting income of a veterinarian is about \$19,500.

If even a part of the changes proposed by the federal administration are enacted into law, we face a situation in which there simply will not be enough aid money available in any form to meet students' needs as they are presently determined.

Two approaches which would obviously have a great positive impact on the gloomy financial aid picture are to lower tuition and to create a large endowment fund for scholarship aid. Realistically, neither of these changes can be expected in the immediate future.

The Veterinary School this year has taken some steps to improve the financial picture and to help alleviate some of the stress now felt by students. Dean Robert R. Marshak has directed that scholarships of \$3,000 each be awarded to five students in the incoming class on a merit basis. The scholarships will continue for the four years while a student is in school and will enable us to attract outstanding students who might go elsewhere to school at a lower tuition.

This year the School also published a *Handbook on Student Financial Aid* which contains detailed information about how need is determined, loans, repayment schedules, etc. Some of the apprehensions students experience about financial aid are related to not having enough information (or having faulty information) about the total Program. The *Handbook* should help alleviate this.

We are presently developing a computer program which will enable students to obtain information about how they may manage their loan debts for a ten year period after graduation. This program will be tailored to the individual and it will be based on a student's anticipated situation during this ten year period (i.e. type of work, anticipated salary, family situation, etc.). Again, we believe that this knowledge will help to lessen students' concern about their financial situation. The program will be available in the academic year 1985-86.

As was the case last year, the Veterinary School will subsidize the Financial Aid Program for students whose demonstrated need is not met with the usual sources of money. Many students will need to obtain HEAL Loans in 1985-86 and the School will pay interest on these so that it does not accrue while the students are in school.

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