



MEDIA RELEASE

For Immediate Release

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PHEAA's Board of Directors commends Governor Wolf for his 2020-21 proposed funding increase for PA student aid programs

Historic second consecutive increase in PA State Grant funding to benefit thousands of Pennsylvania students struggling to afford college

Harrisburg, PA (February 4, 2020) – The Chairman and Vice Chairman of the PHEAA Board of Directors today both commended Governor Tom Wolf for his 2020-21 budget proposal, which increases the PA State Grant Program's appropriation to \$339.733 million, a \$29 million or 9.33 percent increase over the current year's appropriation of \$310.733 million.

The PA State Grant Program provides need-based grant awards to eligible Pennsylvania residents to attend PHEAA-approved postsecondary schools as undergraduate students. Grants are available to both full and part-time students and do not have to be repaid.

"Governor Wolf's proposed 9.33 percent increase for the 2020-21 PA State Grant Program is the second largest increase during the last 20 years," said Representative Mike Peifer, PHEAA Board Chairman. "This additional funding will provide for a substantial increase in the grant award which should lessen the need for Pennsylvania students to borrow money to pay for college."

The Governor also recommended a \$30 million PHEAA supplement for the program, which would increase total available funding to \$369.733 million for 2020-21. However, final funding won't be known until the Commonwealth completes its annual appropriation process and an approved state budget is signed into law, typically on or before June 30, 2020. Additionally, PHEAA's supplement to the program is based on agency operating results and is subject to formal approval by the PHEAA Board of Directors.

Based on current application data and total proposed funding, the maximum grant award for 2020-21 is projected to be \$4,700, a \$577 increase over the 2019-20 maximum award of \$4,123.

The PA State Grant Program has the fourth largest number of grant recipients in the nation and is among the most efficient since PHEAA pays all administrative costs at no expense to taxpayers. This means that every dollar appropriated to the program goes directly to support the students who need it most.

The Governor's 2020-21 budget proposal also includes a \$14.45 million appropriation for the Ready to Succeed Scholarship (RTSS) Program, which is an \$8.9 million or a 160.36 percent increase over the previous year.

(more)

RTSS provides scholarships to high academic achievers from middle income families. The program, in combination with the PA State Grant Program, offers a total award up to \$2,000 for full-time students and \$1,000 for part-time students.

“Governor Wolf’s latest budget proposal demonstrates his ongoing commitment to ensure that Pennsylvania students and families have the necessary resources to make higher education a reality,” said Senator Wayne Fontana, PHEAA Board Vice Chairman. “Unlike most other forms of Commonwealth support for higher education, these PHEAA administered student aid programs are portable – meaning these dollars go with the student to any approved postsecondary school, providing both access and choice.”

Students, borrowers, and families are encouraged to visit PHEAA on [Facebook](#), [Twitter](#) (@PHEAAaid), and [LinkedIn](#) where they can learn more about the higher education financial aid process, register for reminders of financial aid deadlines, and get information pertaining to planning for higher education. Additionally, video tutorials explaining the student aid process and types of aid available can be found at [YouTube.com/PHEAAstudentAid](https://www.youtube.com/PHEAAstudentAid).

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About PHEAA

Created in 1963 by the Pennsylvania General Assembly, the Pennsylvania Higher Education Assistance Agency (PHEAA) has evolved into one of the nation’s leading student aid organizations. Today PHEAA is a national provider of student financial services, serving millions of students and thousands of schools through its loan guaranty, loan servicing, financial aid processing, outreach, and other student aid programs.

PHEAA’s earnings are used to support its public service mission and to pay its operating costs, including administration of the PA State Grant and other state-funded student aid programs. As the only major federal loan servicer with a nonprofit public service mission, PHEAA devotes its energy and resources to help ease the financial burden of higher education for its primary stakeholders – Pennsylvania students and families.

PHEAA conducts its student loan servicing operations nationally as FedLoan Servicing and American Education Services (AES). PHEAA operates its digital technology division as Avereo.