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NEWS RELEASE

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PHEAA's Board of Directors Adopts 2019-20 PA State Grant Awarding Formula

Harrisburg, PA (April 25, 2019) – The Pennsylvania Higher Education Assistance Agency (PHEAA) today announced that its Board of Directors approved an awarding formula for the 2019-20 PA State Grant program that provides awards to more than 132,000 students while maintaining a \$4,123 maximum award.

The PHEAA Board of Directors reviews the PA State Grant awarding formula annually and adopts modifications as needed to maximize available financial resources while providing the most meaningful benefits to students with financial need.

The formula takes into consideration several factors, including family resources, the cost of tuition, and the expected number of applicants, in addition to the Governor's recommended appropriation and any unexpended program funds that may remain from the previous year.

For 2019-20, Governor Wolf recommended a \$310.233 million appropriation for the Program, which is \$36.842 million above the Commonwealth's 2018-19 appropriation. Additionally, PHEAA expects to be able to "carry-forward" approximately \$30 million in unused funds that had been allocated for 2018-19.

Carry-forward from 2018-19 is the result of receiving fewer-than-expected applicants, mostly attributable to lower-than-projected Distance Education participation rates during its first year of integration and historically low unemployment rates.

"It is a priority for all of us on the PHEAA Board to carefully consider every factor that can impact a student's ability to afford higher education in Pennsylvania – especially the factors that can change from year to year," said Representative Mike Peifer, PHEAA Board Chairman. "By maintaining the previous year's award levels, we are able to provide needed stability and predictability as families work to develop their 2019-20 college plans."

PHEAA's newly approved awarding formula will be used to calculate 2019-20 "conditional award" notices for students. These early notices will be based on the Governor's recommended appropriation combined with PHEAA's carry-forward funding.

(more)

Conditional award notices are provided each year in May for planning purposes and are subject to change pending final passage of the Commonwealth budget, which is typically signed into law in June.

If the Commonwealth's appropriation to the Program is reduced, individual awards will be recalculated and updated notices with lower award amounts will be provided to students.

"The importance of a PA State Grant award to a student struggling to pay for college should never be underestimated or underappreciated," said Senator Wayne D. Fontana, PHEAA Board Vice Chairman. "It's our job as Board members and legislators to ensure that the grant funding needed to support those students is not diluted as we work to approve the final state toward the end of this fiscal year."

PHEAA self-funds the administration of the PA State Grant and other student aid programs and services for the Commonwealth, which saves taxpayers \$19.2 million annually.

Students 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, reminders of financial aid deadlines, and 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 aid 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 Pennsylvania State Grant and other state-funded student aid programs. PHEAA continues to devote its energy, resources and imagination to developing innovative ways to ease the financial burden of higher education for students, families, schools and taxpayers.

PHEAA conducts its student loan servicing activities nationally as FedLoan Servicing and American Education Services (AES). For more information, visit www.pheaa.org.