Slide 1 - Instructions

This presentation contains audio and closed caption features. Each slide is paused on entry. Use the navigation bar to advance through the presentation, manage the audio and mute options, and launch or hide closed captions. The navigation bar can be accessed using a mouse or a combination of the space bar and the enter key.

Slide 2 - Costs and Award Adjustments Title Slide

Hello and thank you for joining us for a review of the Costs and Award Adjustments requirements for the Pennsylvania State Grant Program.

Slide 3 - Agenda

The purpose of this presentation is to supplement information presented in Chapter 3 of the PA State Grant Program Handbook for the 2018-19 Academic Year and the 2019 Summer.

We start off this presentation with a review of the educational costs that PHEAA uses in calculating students’ State Grant awards. Following this, we will review a number of key terms that are outlined within this Chapter. We will then wrap up the Chapter material with a review of how to evaluate awards when students add, drop, or withdraw from courses, and then conclude the presentation by providing you some resources that will help you manage the PA State Grant Program.

Since our session will focus solely on this Chapter, we encourage you to review the other chapter presentations and print materials at your convenience. This presentation will serve as an overview of the printed material and should be used in conjunction with the written procedures, to ensure your full understanding of, and compliance with, all State Grant Program policies. A copy of the Handbook can be found on our training webpage. We will provide the web address at the end of the presentation. Let’s begin by discussing student educational costs.

Slide 4 - Educational Costs

In order to determine a student’s Pennsylvania State Grant award value for the academic year or Summer term, PHEAA uses the student’s total educational costs as one of the determinants in the need analysis calculation. Let’s review what is included in the educational costs.

One of the largest components of a student’s educational costs will be the tuition and fees charged by the institution. On an annual basis, postsecondary institutions report tuition and fees to PHEAA in the March-April timeframe through the online State Grant Education Costs Form. This process, which is completed via the school portal, is also known as Costs on the Web or COTW. During this time frame, schools are to report their anticipated tuition and fee charges for
the upcoming Summer term and academic year. Aside from tuition and fees, there are a few other important things that PHEAA collects via this process including contact information, term start dates, and room and board costs. While PHEAA does not take a student’s housing status into consideration for award calculation purposes, schools are still required to report room and board costs for statistical purposes. All costs are subject to PHEAA approval and a cost cap each year. When schools fail to submit costs prior to the April deadline, PHEAA uses prior year costs to calculate a student’s eligibility. Therefore, as a school’s tuition and fees may increase from year to year, PHEAA greatly encourages schools to complete the COTW process so that awards are calculated using the appropriate tuition and fee amounts.

The next item factored into a student’s educational costs is a book allowance. This allowance is a standard amount that is afforded to all students. Additionally, PHEAA includes a standard educational expense allowance, or EEA, which replaces the traditional room and board or commuter allowance. In the Spring of each year, PHEAA will announce the allowances for books and supplies and the EEA. However, these amounts are not considered finalized until after the passage of the Commonwealth budget. For the 2018-19 Academic Year, the book and supply allowance is $1,000 and the educational expense allowance is $4,000.

Additional details on the State Grant Need Analysis Formula are available in the State Grant Program Manual. When the Program Manual is published annually, schools may refer to this document to find a deeper explanation of how PHEAA calculates need and awards for students. The Program Manual also contains the exact need analysis formula that can be programmed into an institution’s Financial Aid Management System for award packaging purposes.

Another document PHEAA publishes annually, the Institutional Cost Policies and Instructions provides supplemental information on how institutions should complete the COTW. Since PHEAA does not accept all fees institutions charge their students, uniform fees for example, schools should use the Institutional Costs Policies and Instructions to verify the PHEAA-approved fee types which should be included in the COTW collection. This document can be found in the Document Library in the Technical Processing Information folder.

Now that we’ve talked about some of the items used to calculate State Grant awards, let’s review a few important definitions.

**Slide 5 - Award Status and Crediting Definitions**

The term “estimated” refers to the award amount that is initially calculated in October. Schools are initially provided with an “Estimator” via an excel calculator and later the estimated award amounts are available through the PHEAA system. Estimated eligibility is not shared directly with students by PHEAA. Rather, estimates are shared with schools specifically for the purpose of packaging financial aid awards.
PHEAA permits schools to program the estimated State Grant formula into their Financial Aid Management Systems, so long as it produces awards that are within $100 of the values obtained using the PHEAA Estimator tool. This ensures that uniform values are provided to students across all institutional sectors. If the formula changes during the year and a revised Estimator is released, schools should in turn revise the award amounts communicated to students to be within $100 of the PHEAA calculated amounts. You should note that not using the current PHEAA estimates may result in an administrative finding for your institution.

Once PHEAA has collected a few additional data elements used in calculating State Grant awards, “conditional” amounts are released. PHEAA typically announces ‘conditional’ award amounts to students and schools in late May or early June. “Conditional” refers to the award amount announced prior to the passing of the Commonwealth budget. These awards are referred to as conditional since the amount is dependent upon the final appropriation approved by the Pennsylvania General Assembly. When awards are in a conditional status, a student cannot be credited his or her PA State Grant until the award becomes final. Once the Commonwealth budget is passed, usually in early July, the Final Award amounts are released to students and schools.

**Slide 6 - Withdrawal and Drop Definitions**

There are a few other definitions that are important to clarify.

When the term ‘credit’ or any form of that verb is used, it refers to the school action of committing State Grant funds to a student’s account. Crediting should only occur when your school can confirm that the student has met all eligibility criteria and should be documented in the student’s file.

A ‘drop’ is used to describe the situation in which a student registers for a course or courses, but later removes them from their schedule and there is no evidence or charge for the courses on the student’s account. Drops normally occur during a defined period at the beginning of the term, but this administrative action may occur later on an exception basis. Dropped courses do not count toward the enrollment minimums as defined in Chapter 2, therefore, the school may not consider dropped courses when paying the State Grant, nor can it apply withdrawal procedures to dropped courses. Whenever students drop courses, you must review their record and adjust enrollment and eligibility accordingly.

A withdrawal, on the other hand, is when a student removes one or more courses from their schedule, is charged by the school and, thus will have the attempted credits displayed on their transcript. The attempted credit often appears as a ‘W’ grade on the student’s transcript. The term ‘withdraw’ or ‘withdrawal’ encompasses situations when the student fully or partially withdraws, changes from an approved to a non-approved program of study, becomes deceased,
or is terminated, expelled, suspended, or dismissed from the institution before the end of the term.

An unofficial withdrawal occurs when a registered student enrolls and attends, but fails to notify the school that he or she ceases or plans to cease attending for the term and may require the institution to apply the withdrawal procedures. We will review unofficial withdrawal considerations a bit later in the presentation, but let’s first review the award adjustment guidance as it relates to dropped or added courses.

**Slide 7 - Evaluating Drops and Adds**

Whenever students drop or add courses, institutions are required to evaluate if these changes will impact the student’s PA State Grant eligibility. If a student drops or adds credits that impact their enrollment status, Financial Aid Administrators must report the revised enrollment. For example, if a student drops from 12 credits to 9 credits, the institution would report the student’s enrollment status as half-time and refund any over-disbursed funds. Additionally, if the student were to go from 9 credits down to 5 credits, this would make the student less than half-time and this changed enrollment status should be reported to PHEAA.

In addition to evaluating student enrollment, institutions must also be careful to evaluate how dropped or added courses may impact a student’s enrollment mode. If the ratio of classroom to online credits changes due to dropped or added courses, the appropriate enrollment mode should be submitted for the student.

When dropped or added courses change a student’s enrollment mode to mode 3 or 4, there may be changes to the student’s PA State Grant eligibility. As Chapter 2 explains, students attending institutions that are headquartered and domiciled are no longer required to meet the at least 50% classroom enrollment requirement. Therefore, reporting students at these institutions under enrollment modes 3 or 4 will result in the student retaining State Grant eligibility, but receiving a reduced award.

Students attending institutions which are not headquartered and domiciled must continue to meet the previous 50% in-classroom instruction requirement for continued eligibility. When Non-HQD institutions report students under an enrollment mode 3 or 4 for the first time during the award year, this will initiate the Americans with Disabilities Act or ADA exception process. Financial Aid Officers should monitor students undergoing this process to determine if the student will retain his or her PA State Grant. To learn more about the ADA accommodation process, please review the Instruction Delivery and Enrollment Mode section of Chapter 2.

It’s important to note, that the enrollment mode updates must be made, even when it does not impact the student’s PA State Grant eligibility. For example, if a student goes from being 100% in the classroom to an even split between online and classroom credits, this would not necessarily change the student’s eligibility. It does however change the enrollment mode that
would be reflected on the student’s record. In this case, the student would go from Enrollment Mode 1 to Enrollment Mode 2.

**Slide 8 - Example: Dropped Course Adjustment**

The chart on this slide, found in Chapter 3, breaks down how schools should evaluate award adjustments due to dropped and added courses, based upon the institutions headquartered and domiciled status for the PA State Grant Program.

For both HQD and Non-HQD institutions, students who drop or add courses to less than half-time should be reported as such. Similarly students at all approved institutions must report appropriately for students who drop from full-time to half-time enrollment.

If the enrollment mode changes for students who are enrolled at least half-time at HQD institutions, then the new mode must be reported. This reporting will result in the calculation of a revised amount when students change from enrollment modes 1 or 2 to modes 3 or 4.

Updates to enrollment mode must also be reported for students attending Non-HQD schools. If this results in the student now being reported as enrollment mode 3 or 4, Financial Aid Officers at Non-HQD institutions should monitor the student’s status, since the State Grant award will be cancelled for reason “L,” if no ADA exception is requested or reduced if the exception is granted.

Again, complete guidance on instruction delivery and enrollment mode, including a review of the ADA process is available in Chapter 2 of the Handbook.

**Slide 9 - Evaluating Withdrawals**

A student’s term award is subject to an adjustment when the student initially enrolls for the term, but withdraws prior to the end of the term or disbursement period.

It is important that schools evaluate enrollment and award criteria before completing an adjustment. As such, there a few criteria that must be met before your school can perform a withdrawal adjustment on a State Grant award. These types of adjustments can only be done when State Grant awards are final, and the award was previously disbursed and paid to the student’s account, after certification of eligibility. It should also be noted here, that since final crediting cannot occur until after the term disbursement roster is generated, schools cannot credit awards based on the appearance of students’ names on a pre-disbursement roster, or other status listing report, like a Gee pad report. Students who appear on a pre-disbursement roster, but have withdrawn prior to the disbursement must be cancelled for not enrolled.

Crediting for the award must be based on enrollment status prior to withdrawal. Adjusted grant payments, for any reason, and although reduced, equal an appropriate term award counter for State Grant purposes. This means that when applying the withdrawal procedures, even if a students’ award amount is adjusted, the award status and counter will not be impacted.
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If funds have been disbursed to the school, a refund to PHEAA of all or a portion of the State Grant may be required, depending upon the date of the student’s withdrawal and the standard tuition refund policy of the institution. To better explain this concept, we have developed a set of steps schools may follow when calculating an award adjustment. Let’s review them on the next slide.

**Slide 10 - Adjustment Steps**

Before making an adjustment, the school must be able to document that crediting based on the enrollment status, either full-time or half-time, occurred prior to withdrawal and that the student was otherwise eligible.

To make the adjustment the Financial Aid Administrator should:

First review the school’s refund policy and determine what portion or percentage of the tuition for the term that would be refunded in the case of withdrawal or reduction in enrollment.

Next, verify that the amount of the State Grant retained by the school does not exceed that portion permitted under the school’s tuition refund policy; whenever possible and where school policy allows, a portion should be refunded to PHEAA.

Then, advise the student to pay the amount to the school, especially when the amount of State Grant funds retained by the school is small. This enables the school to refund the entire term’s disbursement to PHEAA. The result saves a term of State Grant eligibility for the student and possibly avoids a future Academic Progress issue.

Finally, report award adjustments via Partner Interface. Submission of adjusted awards is only available in Partner Interface in the Single Student Update function. Schools may enter the revised term award amount beginning after the first possible enrollment for the Fall term begins.

It is important to note here that, while enrollment mode re-evaluation is required in cases of drops and adds, when students withdraw, the enrollment mode will not be altered. Remember, when applying the withdrawal policy, the student retains the enrollment status upon which crediting occurred and therefore enrollment mode would also be retained.

Let’s review an example.

**Slide 11 - Adjustment Steps**

Before making an adjustment, the school must be able to document that crediting based on the enrollment status, either full-time or half-time, occurred prior to withdrawal and that the student was otherwise eligible.

To make the adjustment the Financial Aid Administrator should:
First review the school’s refund policy and determine what portion or percentage of the tuition for the term that would be refunded in the case of withdrawal or reduction in enrollment.

Next, verify that the amount of the State Grant retained by the school does not exceed that portion permitted under the school’s tuition refund policy; whenever possible and where school policy allows, a portion should be refunded to PHEAA.

Then, advise the student to pay the amount to the school, especially when the amount of State Grant funds retained by the school is small. This enables the school to refund the entire term’s disbursement to PHEAA. The result saves a term of State Grant eligibility for the student and possibly avoids a future Academic Progress issue.

Finally, report award adjustments via Partner Interface. Submission of adjusted awards is only available in Partner Interface in the Single Student Update function. Schools may enter the revised term award amount beginning after the first possible enrollment for the Fall term begins.

It is important to note here that, while enrollment mode re-evaluation is required in cases of drops and adds, when students withdraw, the enrollment mode will not be altered. Remember, when applying the withdrawal policy, the student retains the enrollment status upon which crediting occurred and therefore enrollment mode would also be retained.

Let’s review an example.

Slide 12 - Example: Withdrawal During Refund Period

The example on this slide is for a student who withdrew during the refund period. In this example, Connor was awarded a six hundred dollar Fall semester grant and withdraws at the end of the second week of classes. According to the school’s refund policy, Connor receives a 75% refund of tuition charges. PHEAA expects a 450 dollar or 75% refund of the Fall term State Grant.

Since Connor completely withdrew, only his award amount is adjusted, and no changes are made to his enrollment status or mode.
Slide 13 - Unofficial Withdrawals

The enrollment section of Chapter 2 discusses unofficial withdrawals, but they are an important concept in regards to State Grant award adjustments as well.

An unofficial withdrawal occurs when a student originally registers and fails to notify the school that he or she has stopped or plans to stop attending classes. A student who registers for classes, but does not begin is considered a “no show” and should be reported as “not enrolled.”

There are some instances in which schools are not alerted to an unofficial withdrawal until the end of the term when a transcript review indicates that the student received all “F” grades. Schools must investigate these students to determine whether the student never attended classes and should be marked as not enrolled, whether the student completed the term and earned the “F” grades, or whether the student attended classes during part of the term, but stopped attending prior to the end of the term. Schools that take attendance can use the students’ last date of attendance on record as the date of withdrawal, unless it is determined that the student was a “no show.”

Financial Aid Administrators may either follow the date of last attendance, as certified by the Registrar’s Office or other institutional authority, to establish whether the student had attended or otherwise participated in the class. If the student has activity on record, schools will then need to verify the last date that the student participated and follow the withdrawal procedures. In the case that neither a last date of activity nor a last date of attendance can be determined, the school should assume that the student was a “no show” and certify him or her as not enrolled. However, if at least one instructor reports that the student finished the term, then this is not considered an unofficial withdrawal.

For those institutions that use a specific grade designation, like a “Z” grade, please keep in mind that in order to follow the withdrawal procedures for students who do not complete the term, the other criteria for withdrawal must be met.

Another withdrawal situation covered in the Handbook relates to withdrawals that take place during modular terms. Let’s review this policy on the next slide.

Slide 14 - Evaluating Withdrawals in Modular Terms

Consistent with the guidance explained in Chapter 1, students with modular schedules can only be paid a State Grant at the beginning of the final module that comprises the term and once enrollment and eligibility has been verified. In prior years, if a student withdrew from one or more modules prior to crediting, the student would lose all State Grant eligibility due to not having met the minimum term length requirement.

However, effective with the 2017 18 Academic Year, if a student initiates the term and later withdraws from one or more of the modules that comprise the term, at the time of crediting,
when the institution verifies enrollment and eligibility, the awarding should be based on the total number of enrolled credits, minus any withdrawn credits. So long as at the time of final crediting, the student is eligible and enrolled in the final module needed to meet the term length, the institution may pay the award appropriate to the enrollment status as calculated using the number of credits remaining at the beginning of the final module.

To better illustrate how to apply this guidance, we will review a few scenarios. The scenarios in this chart are found on Page 3-3 of the Handbook. With each example, it is assumed that the student combines modules to meet the minimum term length, begins the term, and then withdraws from one or more of the modules. Let’s review.

If the student withdraws from all the enrolled credits for each module by the time crediting occurs, then the student should be cancelled for not being enrolled in the term.

However, if the student begins the term, withdraws from at least one module, and at the time of final crediting is still enrolled in enough credits to meet the full-time minimum, then the student should be paid the full-time award. Likewise, if at the beginning of the final module, the student is taking enough credits remaining to meet half-time status then the half-time award should be credited.

Similarly, if the student withdraws and the credits remaining at the start of the final module are fewer than the minimum allowed for a half-time award, the record should be updated to “less than half-time.”

Please keep in mind that this guidance aligns with the policies mentioned in Chapter 1 regarding combining modules to meet the minimum term length, and simply allows the withdrawal to impact the number of credits enrolled, but not the term length. Also, as mentioned previously, evaluation of enrollment mode must occur when eligibility is reviewed at the time of final crediting and should only include the credits used to determine State Grant award status.

Slide 15 - Example: Withdrawal in a Modular Term

This example assumes a semester schedule which uses modules to meet the term length requirement and that the student meets all other State Grant criteria.

In our example, Kaley enrolls in three four-credit modules for a total of 12 credits. She begins classes, but withdraws by the end of the first module. Kaley returns for the second and third modules. At the beginning of the final module, the FAO notices that although Kaley withdrew from four of the twelve credits during the first module, she is still enrolled in eight total credits. In this case, the FAO can pay the half-time award, after Kaley is confirmed as enrolled in the third module, since she has met the half-time minimum enrollment.
Slide 16 - Partial Withdrawal to Half-time

The final policy topic that we will review from Chapter 3 explains how to evaluate situations when a student partially withdraws to at least half-time. If the student withdraws to at least half-time, after funds have been credited and during the school’s refund period, the school has two options. The school can either apply the withdrawal policy on the full-time enrollment and award, or report the student as half-time and reduce the award to a half-time amount.

By reducing enrollment to half-time, this will free up a half-time award counter for the student’s future use, and could also help the student avoid issues with Satisfactory Academic Progress. One disadvantage is that the half-time award amount may be less than the adjusted full-time award. Another possible downside to this option is that, if the half-time enrollment is reported, the enrollment mode must be re-evaluated based on the remaining half-time credits. As mentioned in prior slides, eligibility for students reported under enrollment modes 3 or 4 is dependent on whether the institution is HQD or Non-HQD. That means that reporting the student as half-time could result in a revised award amount if the student attends a HQD school, or possibly result in a total loss in eligibility, if the school has a Non-HQD status. If the school chooses to adjust the full-time award, then the enrollment mode should not be changed, since it is based on the original credits used to establish the full-time enrollment status.

The best option for evaluating these adjustments will need to be determined by the school and may be based on the individual student’s situation. Please keep in mind that these options can only be considered for students with modular schedules in cases when the student withdraws after the award is credited.

Slide 17 - SGSP Resources

In conclusion, we would like to refer you to some resources that will assist you in managing the State Grant Program. On our training page, you will find the most recent version of the State Grant Program Handbook in addition to user guides, tutorials, FAQ documents, and various one-page resources. You will also find resources to assist you with the other PHEAA-administered programs.

In Alec, you will find links to the Document Library and PageCenter. PageCenter is our reporting repository and contains student and institutional reporting for your school. Within the Document Library, you will find copies of correspondence that was sent to schools throughout the year, in addition to technical resources such as our Online Roster Certification Form and our clock-hour conversion spreadsheet.

If you would like to contact us, PHEAA staff is available at 1-800-443-0646. You may also outreach to us via email to share your questions and concerns, or to express your feedback. Your feedback in writing will help us to share your input with the appropriate staff. If you have questions about institution eligibility for the State Grant Program, please call 717-720-2470.
Slide 18 - Thank you

Thank you for listening to the overview of the Costs and Award Adjustments requirements. Again, please be sure to review the current program handbook and other resources to ensure your understanding of these requirements and others that govern the program.