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 - Student Eligibility Verification Title Slide

Hello and thank you for joining us for a review of the Student Eligibility Verification requirements for the Pennsylvania State Grant Program.

Slide 3 - Agenda

The focus of this session will be material from Sections E through O of Chapter 2 from the State Grant Program Handbook for the 2018-19 Academic Year and the 2019 Summer. During this presentation we will review a number of requirements for verifying student eligibility, beginning with the requirement for recipients to be U.S. citizens and also have Pennsylvania residency. Then we will briefly discuss how to report changes to a student’s EFC and the high school completion requirements. Before we conclude we will cover a few more eligibility topics that are important considerations when certifying eligibility. At the end of this presentation, we will provide some resources that will help you manage the program.

You should note that 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. Also, since our presentation will focus solely on this topic, we encourage you to review the other Handbook presentations and print materials at your convenience. A copy of the Handbook can be found on our training web page. We will provide the web address at the end of the presentation. Let’s begin with the citizenship requirement.

Slide 4 - Citizenship

Chapter 2 of the Handbook, covers a number of subjects related to the verification of student eligibility. The information covered within this presentation begins with a section on the United States Citizenship requirements for the State Grant Program.

Generally, the State Grant requirement for student citizenship follows federal student aid guidelines. According to the Pennsylvania State Grant statute a student must either be a citizen of the United States, or be taking steps to become a citizen. “Taking steps to become a citizen” means satisfying the definition of an “eligible non-citizen” as defined by the U.S. Department of Education which is provided on the FAFSA.
Please also note that “eligible non-citizens” must meet the same requirement for Pennsylvania Domicile as United States Citizens. Therefore Students who are not United States citizens cannot count any time of residence prior to meeting the eligible non-citizen definition towards meeting the 12-month residency requirement.

For example, if a student receives his or her resident status on September 1, 2017, this student could only meet the Domicile requirement after September 1, 2018.

To further explain the relationship between the citizenship and domicile requirements, we will review the Pennsylvania Domicile requirement on the next slide.

**Slide 5 - Domicile**

A domicile is defined as a person’s fixed and permanent home. According to the Pennsylvania State Grant statute, in order to be eligible for an award, a student 18 years or older must be a domiciliary of the Commonwealth for at least 12 months immediately preceding the filing date of the FAFSA application. If the student is under the age of 18, then the supporting parent or guardian must meet the domicile requirement.

The 12-month residency excludes any time period the student spent residing in the state while enrolled at a postsecondary institution. Simply put, the student cannot count time in the Commonwealth if he or she came here for the sole purpose of attending school.

While PHEAA has many checks in place to identify records with conflicting domicile or other information listed on our system, we rely on the schools to bring to our attention any information they obtain that may be discrepant. For instance, schools are required to report if the institution files indicate that the student or supporting parent has an out of state home address, driver’s license or voter registration. Other indicators that the student is not in compliance with the domicile requirement are when the student is being charged out of state tuition or is a recipient of a grant from another state that has residency requirements in that state.

Students who have not been validated as “eligible non-citizens” for the federal Pell Grant should also be reported to PHEAA. Again, in order to meet the domicile requirement, students who are not citizens of the U.S. must be established as “eligible non-citizens,” in addition to residing in Pennsylvania for at least 12 months prior to the completion of the FAFSA and grant application.

If the institution’s review brings Pennsylvania domicile into question, do not credit funds to the student’s account and request a cancellation via Special Request. In the request, indicate the specific reason that the student’s domicile is in question. The request should also include any relevant dates and address information that would be useful in PHEAA’s review.
Slide 6 - High School

Another subject covered in this chapter is the high school graduation requirement for State Grant eligibility. As detailed in section 1 21.21 of the Pennsylvania code, with the exception of those students admitted in bona fide early admission programs, a student must be a graduate of an approved high school or must possess an approved equivalency diploma prior to the receipt of State Grant aid.

Most schools require a high school diploma or GED as a condition of admission. In this case, no additional action is needed to meet the State Grant high school requirement. Schools that do not require a high school diploma or GED for admission must then verify that the recipient does meet the high school graduation requirement.

For additional details on this topic, refer to Chapter 2 Section G of the State Grant Handbook.

Slide 7 - EFC and SSN Changes

Section H of the Handbook explains changes in EFC and Federal Pell eligibility, and how PHEAA reviews subsequent Institutional Student Information Report or ISIR transactions, to identify changes that might reduce a student’s State Grant eligibility. Please note that PHEAA does not accept changes as a result of Professional Judgment. Students requiring special consideration must contact PHEAA directly.

Until approximately August 1st and the initial disbursement of funds for the academic year, PHEAA will accept data received through electronic transmissions from the U.S. Department of Education to automatically update a student’s State Grant record.

These updates may change the State Grant award as PHEAA uses the EFC and the Federal Pell Grant, both as calculated by PHEAA, in the State Grant need calculation.

After August 1, PHEAA does not automatically update data changes to completed records that impact the EFC calculation due to the timing of academic year disbursements. Students and their families must submit corrections to their EFC and other data directly to PHEAA after that time.

Once August begins, Student Aid Report or SAR updates that are to complete State Grant records are not accepted. However, PHEAA compares the EFC that resulted from that SAR to the PHEAA-calculated EFC. The purpose of this review is to identify discrepant data that may result in a significant decrease in the student’s award. Schools should encourage students to not only update information on their FAFSA, but also submit that information to the State Grant & Special Programs department. Instructions on how to submit EFC changes to PHEAA are found, in the “After you apply/renew” article located in the State Grant section on PHEAA.org.

Correcting pertinent information on the State Grant record is not restricted to EFC. Section I explains that the State Grant Program uses the student’s Social Security Number as the primary...
means of identification. Since a State Grant record is not created until the US Department of Education verifies the SSN with the Social Security Administration, discrepancies with school data should be infrequent. However, any and all student identification discrepancies should be reported to PHEAA via the Special Request Function of Partner Interface. If a student should need to correct their SSN on file, a copy of the Social Security Card and an additional form of legal documentation should be provided. In cases where the student’s name changes, two forms of legal documentation that contain the student’s name or confirms the student’s legal name change should be submitted. If a student fills out forms inconsistently with regard to his name and suffixes like junior or senior, PHEAA takes into consideration the successful SSN match with the Social Security Administration.

Should the student’s identity come into question after this, PHEAA would request a copy of the student’s Social Security card.

**Slide 8 - Incarcerated and Satisfactory Character**

Two other elements of student eligibility requirements reviewed in this Chapter are related to student incarceration and satisfactory character.

First we will discuss incarcerated students. Students who are incarcerated are not eligible to receive State Grant funds. This population excludes those students in “halfway houses” or community service centers. Schools should make every effort to identify incarcerated students, including those enrolled in distance education courses, report them to PHEAA and withhold crediting the awards.

Conversely, eligible students who are not currently incarcerated, but who have previously been convicted of a felony, may still receive State Grant funds. While, having a prior felony conviction will not impact a student’s State Grant Eligibility, as noted in the Pennsylvania Statute on Higher Education, students are subject to a “satisfactory character” review, which may, include prior conviction of felony offenses. Therefore, according to the institution’s master program participation agreement, institutions must report any State Grant eligible student who is known by the school to have been previously convicted of a felony. Schools should use the Special Request Function of Partner Interface to submit the information as described in the tip box in Section K of Chapter 2.

**Slide 9 - Additional Eligibility Topics**

The next few sections of the handbook are L, M, and N.

First let’s review the policies in section L, on students in default. Students with defaulted student loans are ineligible for State Grant funds. This may include defaulted federal loans and defaulted loans that were converted from grants. Additionally, PHEAA rejects awards for students who are in a pending default or pre-claim status on their PHEAA guaranteed federal
student loans. If the student has either defaulted loans that were previously grants or loans in a pre-claim status, schools will not see an indicator display on the Federal Student Aid Report but can verify the reject reason in the State Grant Record on the PHEAA system.

To reinstate eligibility, students in default must either pay the loan in full, or make six consecutive satisfactory payments prior to the start date for the awarded term. Students in a pre-claim status must bring their account current by the reconsideration deadline.

Section M of Chapter 2 explains how schools should document the refusal of an eligible student to accept a State Grant award. For instance, if a school has a student who is required to refuse all other aid in order to accept a “full ride” scholarship, the school should advise the student to refuse the State Grant. In this situation, the information must be reported to PHEAA so that the State Grant can be cancelled for the reason “student refusal.”

The refusal request may be reported directly by the student or by the school on the student’s behalf. For audit purposes, when the school requests the cancellation on the student’s behalf, written documentation from the student, including details on the term or terms and amounts of the awards must be retained by the school.

Section N of Chapter 2 describes student Reconsideration Deadlines. Whenever there is a discrepancy or inconsistent reporting, PHEAA may place the student under a review and request documentation from the student or their parents. Students and their parents will have until April 1st during the academic year to submit any requested documentation or incomplete information to PHEAA. For the Summer term, the deadline is October 31st immediately following the Summer term. Again, these deadlines also apply to students who may not be under review, but have incomplete application information due to not completing the State Grant Form.

If a student’s response is not received by the academic period deadline, the student will become ineligible for their award. It is important that schools are aware of these deadlines as it may impact their reconciliation process if a student is awarded late or has their eligibility later adjusted.

**Slide 10 - Different Educational Costs**

The final section in chapter 2 is on reporting different educational costs. PHEAA uses the standard tuition and fee charges for the typical full-time undergraduate student as reported by the school via the Cost on the Web process to calculate educational cost figures for the academic year. Financial Aid Officers should review the student’s actual costs for tuition and fees each term to compare the differences to the reported and PHEAA-approved costs.

Institutions are required to review the actual tuition and fees charged to a student on a term by term basis. If there is a term when the tuition and fees charged to the student are at least 25 percent less than the PHEAA-approved costs, the school is required to report the actual costs...
incurred by the student; if these fall below the cost cap. These lower costs must be reported using the “Cost Override” function in Partner Interface. On the next slide we provide the steps for reporting a Cost Override. However, it is important to note here that before submitting the lower costs, schools must perform all other eligibility updates.

In cases where the student’s actual annualized costs are higher than those used by PHEAA by more than 25 percent, schools have the option to report this information in order to request award reconsideration based on the student’s actual costs. Schools may submit this optional reporting via the Special Request function in Partner Interface. When reporting higher costs, be sure that the student’s award is below the maximum State Grant and that student’s total educational costs do not exceed the Need Analysis formula’s cost cap.

There are a number of circumstances under which a student may incur tuition and fee costs which are substantially different than those used by PHEAA in calculating the State Grant. These situations include when students are attending their final year, are studying abroad, or are taking a combination of day and evening courses. Two other situations that require comparison of the actual costs and reported costs are in the cases of Tuition Waivers and Tuition Remission, both of which we will review on the next slide.

**Slide 11 - Different Educational Costs: Tuition Waivers and Remission**

Other instances when schools should review the reduced costs policy are in cases of tuition waivers and tuition remission. Some schools apply tuition waivers to reduce the tuition amount. Others elect to use a financial aid scholarship to offset charges rather than reducing tuition. In either case, PHEAA-approved costs for tuition and fees should be utilized when the waiver or the remission is listed as a bill deduction from the amount charged to the student.

In situations where a student’s account is not documented in this way, meaning the account simply displays the reduced costs with no indication of the waiver or remission as an itemized deduction from the total, then institutions should verify whether the reduced charges meet the 25% lower cost threshold, which would require submission of a Cost Override.

Again, if the account does not show a tuition charge and the waiver as a deduction to that charge, then the institution must evaluate whether the PHEAA-approved costs can be used for awarding, or if a Cost Override must be submitted.

Once you have determined that the actual Cost of Attendance is at or below the threshold, report the reduced costs. To ensure the threshold is accurate, Financial Aid Officers should first conduct all other eligibility tests. For example, report a change from full-time to half-time before reporting different educational costs. Next, withhold crediting the State Grant until all changes are processed and the student’s eligibility is recalculated. Finally report the lower costs on a student-by-student basis through the Cost Override feature in Partner Interface. This feature is
only available through the single update function on Partner Interface. To make reviewing significant differences easier, the “Cost Override” feature displays the cost thresholds.

**Slide 12 - Different Educational Costs: Threshold and Calculation**

The State Grant Handbook provides this chart to illustrate the threshold calculation for required reporting. Schools can use the mathematical formula in this chart to preliminarily calculate if reporting may be necessary.

This is the same formula used by Partner Interface to display the threshold. If your institution operates on a semester schedule, the term cost is calculated by dividing the reported full-time, full year annual cost for tuition and fees by two. The full-time threshold takes the term costs and multiplies it by 75%. For example, a school operating on a semester schedule with a full time, full year cost of $12,568 would have a term cost of $6,284. Seventy-five percent of that or, $4,713 would be the threshold. If the student’s actual cost for full time attendance is below $4,713, the school is required to report the actual costs.

Schools on a quarter schedule will calculate the term costs by dividing the full-time, full year cost for tuition and fees by three. Then multiply the term cost by 75% to calculate the cost threshold. In our quarter schedule example, the full-time, full year costs of $29,304 is divided into three, which makes the term costs $9,768. The quarter schedule threshold or 75% of the term cost for our example would then be $7,326.

The school should calculate the half-time threshold by dividing the full-time threshold by two. In most cases, half-time awards are calculated as one-half the full-time award once the revised costs are entered. However, two exceptions may result in the different eligibility: when the student’s half-time eligibility is below the minimum award amount, the student is ineligible for Reject reason M; or, when the student reaches the maximum number of payments and the remaining award counter is less than a half-time counter, the student’s award may be reduced.

Once you have performed the calculation and determined that the actual Cost of Attendance is at or below the threshold, report the reduced costs.

**Slide 13 - Enrollment Definitions**

In addition, financial aid administrators at community colleges must confirm that the students incurring non-sponsoring district costs are reported to PHEAA before crediting students’ awards. Schools should use Partner Interface to report students with code “P,” for students enrolled in college transferrable programs or code “Q,” for students enrolled in 2-year terminal programs.

Students already reported to PHEAA as non-sponsoring are identified by the notation Non-Sponsoring in the Student Identification/Address column on the roster. Disbursement transmission and Status transmission users will see a code ‘1’ (Yes) in the term Non-Sponsoring District Indicator on those respective files.
Slide 14 - 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 a page dedicated to providing institutions with Program Review Assistance.

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 program guidelines and other resource documents from prior award years.

If you would like to contact us, PHEAA staff is available at 1-800-443-0646. For questions specific to Program Reviews and Audits, call State Grant and Special Programs Compliance Staff at 717-720-2740. 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.

Slide 15 - Thank you

Thank you for listening to the overview of the Student Eligibility Verification requirements for the State Grant Program. 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.