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 - Title: School and Program Eligibility
Hello and thank you for joining us for a review of the changes to the PA State Grant Handbook for the 2018 19 Academic Year and 2018 Summer.

Slide 3 - Agenda
The PA State Grant Program has many exciting changes effective for the 2018 19 Award Year. The purpose of this presentation is to review those changes and explain how they impact State Grant Program policies and procedures.

We will start off our presentation with a discussion on where schools can find a comprehensive list with all of the updates made to the PA State Grant Program Handbook for the 2018 19 Award Year. Next we will review the new Headquartered and Domiciled status requirements and their implication on the integration of distance education into the State Grant Program. Following that we will provide an overview of the policy changes related to Approved Programs of Study and Instruction Delivery and Enrollment Mode; two key components of the distance education integration. Before we conclude, we will touch upon a few additional policy changes and provide some resources intended to further assist schools in the understanding of the new policies.

Since our session will focus solely on this material, 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 taking a look at the Handbook Summary of Changes.

Slide 4 - Summary of Changes
The most notable change in the 2018 19 PA State Grant Handbook, is the deletion of the chapter on Attempted Credits Reporting, as this now brings the total number of chapters down to five. Since the attempted credits reporting requirement was eliminated effective with the 2018 Summer, we have removed all references to this subject and renumbered the remaining Handbook chapters that fell after this topic.
Another significant change for this year is the addition of an Acronym List. This list, found just prior to the Index, is comprised of the acronyms frequently used throughout the Handbook and is provided as a reference tool for users. Just after the Index, you will find an introduction to the Handbook, which includes the Summary of Changes section. The Summary of Changes uses a crosswalk format and identifies locations where you can find new or changed policies. So that users can more easily identify the policy changes within the crosswalk, we have marked them with a special symbol. This policy change symbol is utilized throughout the PA State Grant Handbook and training presentations as well.

Many of the policy changes you will find in the crosswalk and within the Handbook are related to the policy guidance surrounding the integration of distance education enacted through Act 5 of 2018. While the integration of distance education into the State Grant Program is the most exciting change, there were a few other policy changes that are detailed in the Handbook and covered in this and other presentations.

Let’s begin our discussion of the policy changes with an item from Chapter 1, the Headquartered and Domiciled Status requirement.

**Slide 5 - Headquartered and Domiciled Status**

Effective with the 2018-19 Academic Year, the location of an institution will play a crucial role in determining student and program of study eligibility.

For students enrolled primarily online, State Grant eligibility will be determined by whether they attend an institution which is headquartered and domiciled in the Commonwealth. An institution is considered headquartered and domiciled, or HQD, when its principal physical location is in Pennsylvania and the institution is either headquartered and incorporated, or headquartered and chartered within the Commonwealth. If the institution is owned by a parent company, that company must also be headquartered and domiciled in Pennsylvania.

Institutions that either do not meet these requirements or have not submitted the appropriate documentation for PHEAA to evaluate the status are considered non-headquartered and domiciled or Non-HQD schools.

If you are unsure of your school’s HQD status, check the FG3Y display in OC/WebConnect. In the upper right corner, you will find our HQD indicator.

Next, let’s touch upon how the HQD status relates to approved programs of study.

**Slide 6 - Program Structure**

Act 5 of 2018 was signed into law by Governor Wolf in February of 2018. The passage of Act 5 allows PHEAA to integrate distance education into the PA State Grant Program, and therefore, allows schools which meet the headquartered and domiciled status requirements, to have
programs of study with more than 50% online instruction to be approved for the PA State Grant. This effectively eliminates the previous program structure requirements for HQD institutions only.

For institutions that are not headquartered and domiciled in Pennsylvania, the programs of study must continue to meet the previous program structure requirements. This means that for State Grant approval, programs at Non-HQD schools must be structured to provide at least 50% classroom instruction. Programs with more online than classroom coursework are ineligible for State Grant approval. Hybrid programs, however, that contain a combination of classroom and online instruction may be eligible, as long as they contain no more than 50% online coursework. If the hybrid program offers less than 50% instruction in the classroom, or if the program allows a student to choose whether to attend online or in-class, it is considered to be online, and not eligible for approval for the State Grant Program due to the institution type. Please keep in mind that ADA, or Americans with Disabilities Act, accommodations are not applicable for students enrolled in primarily online programs of study at Non-HQD schools. More information on the appropriate application of the ADA accommodation is available in Chapter 2 of the Handbook.

For now, let’s move into the first policy change of Chapter 2 on the next slide.

**Slide 7 - Instruction Delivery**

Again, the passage of Act 5 of 2018 was a measure which allowed PHEAA to integrate distance education into the PA State Grant Program, beginning with the 2018 19 Academic Year. The integration of distance education means that the requirement to be enrolled in a program of study comprised of at least 50% classroom instruction is nullified for students who are attending institutions which are headquartered and domiciled within the Commonwealth. It also provides awards for those students who have opted to take more online credits than classroom credits, and are also attending an institution that is headquartered and domiciled in PA.

After Act 5 was passed, PHEAA needed a method to continue collecting information regarding online enrollment for students at State Grant approved schools. The enrollment mode reporting functionality was officially debuted for use starting with the 2018 Summer term. However, the impacts of Act 5 on student awards beginning with the 2018 19 Academic Year and forward will mean that updating enrollment modes will yield different results than it did for the 2018 Summer term.

While the new enrollment mode functionality provides PHEAA with some statistical data which will be used to evaluate the purchasing power of the State Grant Program, the primary function of the enrollment mode reporting will be determination of student eligibility. Therefore reporting of enrollment modes should be treated similarly to enrollment status in that the final enrollment mode reported, should align with students’ final enrollment used for eligibility. This means that
module or intersession credits used toward enrollment status, should also be included in the evaluation of enrollment mode.

Since the enrollment mode will impact a student’s eligibility, it must also be re-evaluated, and possibly updated, when students add or drop courses. Full guidance on how drops, adds and even withdrawals may impact enrollment mode reporting is available in Chapter 3.

It is important to note here some information about how the enrollment mode requirement impacts the Ready to Succeed Scholarship Program. Since the students receiving RTSS awards in combination with State Grant awards will be reported for enrollment mode, schools will also need to report the enrollment mode for those RTSS recipients who are Reject E or a Reject M for State Grant. To find additional information about this requirement as it impacts the RTSS Program, please check out the RTSS Program Guidelines.

On the next slide, we will examine the different enrollment modes and how this reporting may change a student’s eligibility.

**Slide 8 - Instruction Delivery and Enrollment Mode**

To capture the online enrollment patterns for State Grant recipients, four enrollment modes have been developed.

Each participating institution must report awarded students under one of the modes. This reporting is dependent upon the student’s percentage of distance education credits. The method for calculating the online percentage remains consistent with existing State Grant policy. We will review a few examples on the next slide. But first let’s define the enrollment modes and explain their impact on awards for the 18 19 year.

Enrollment mode 1 is the designation for students whose term courses consist of one hundred percent classroom credits or clock hours. All students will be defaulted to this mode and will only need to be adjusted in the case that their term enrollment needs reclassification under a different mode. Enrollment mode 2 is used for students whose term credits are comprised of up to 50% distance education.

Those students enrolled in greater than 50% but less than 100% distance education credits should be reported under mode 3; and finally, enrollment mode 4 will be used for any student who is taking 100% distance education credits.

For the 2018 19 Award Year, students enrolled in modes 1 and 2 will receive a State Grant award, so long as they meet all other eligibility requirements. For modes 3 and 4, eligibility for funds will be dependent on whether or not the student attends an institution which is headquartered and domiciled in Pennsylvania.

Again, the passage of Act 5 of 2018 allows students attending HQD institutions to receive State Grant funds even when their enrollment consists of greater than 50% or 100% distance education credits.
education credits. Therefore these students will forego the Americans with Disabilities Act or ADA exception process, and receive an adjusted distance education award.

Eligibility requirements for students attending Non-HQD institutions will still include the at least 50% classroom instruction component. Therefore students attending these institutions who are reported under enrollment modes 3 or 4 will likely be ineligible for a State Grant award unless they qualify for an ADA exception for the term. Students who qualify for the ADA accommodation will receive a State Grant commensurate with the adjusted distance education award amount.

Before we talk more about the ADA exception, let’s review a few enrollment mode reporting examples to illustrate how this reporting will impact a student’s eligibility.

**Slide 9 - Enrollment Mode Examples**

On this slide, we have illustrated a few examples of enrollment mode reporting and the resulting impact on student eligibility. To simplify all of the examples on this slide, we assume the student is enrolled in an approved program of study that is structured to contain at least 50% classroom instruction.

In our first example the student is enrolled in 18 credits, all of which are taken in the classroom. Since this student is enrolled in 100% classroom credits and the system default for awarded students is enrollment mode 1, whether or not the student attends a HQD institution, no updates need to be made. This student will continue to be eligible for the State Grant award.

In our second example, the student enrolls in 6 classroom and 6 online credits and would need to be updated to enrollment mode 2. Even though the student’s eligibility would not be impacted and the student would still be eligible for the State Grant, updating to mode 2 is required at both HQD and Non-HQD institutions. Again, students with enrollment modes of 1 or 2 will meet the 50% classroom eligibility requirement for Non-HQD institutions.

Our third example is for a student taking 5 classroom and 9 online credits. This student would be reported under enrollment mode 3 and if the student attends a HQD institution, the student would be eligible for State Grant funds. However, if the student is attending a Non-HQD institution, then this student would likely be ineligible for the State Grant award for cancellation reason “L,” unless there is approval for the ADA exception.

Finally, if a student enrolls in all 15 credits online, like our fourth example, the student would be reported as enrollment mode 4 and would only have State Grant eligibility if attendance is at an HQD institution. At a Non-HQD institution, this student would be subject to the ADA process and possibly result in a Cancel “L” status.

Let’s review the ADA process on the next slide.
Slide 10 - ADA Communication Workflow

As mentioned previously, only students enrolled at Non-HQD institutions will undergo the Americans with Disabilities Act, or ADA accommodation process. While the method for reporting online enrollment patterns has changed, the ADA process itself remains unchanged.

To review, schools should verify the enrollment mode for all awarded students enrolled in approved programs of study and update the mode for those who are not categorized as attending 100% classroom credits. Students who are enrolled up to 50% classroom must be updated to an enrollment mode 2, and will still be eligible for a State Grant award.

Students who are reported as enrolled in greater than 50% or 100% distance education credits, modes 3 or 4, for the first time during the academic year or trailing Summer term will be sent the ADA exception letter. Once a student is sent the letter, he will be provided 30 days to respond before the awards are cancelled for reason “L.” Students who are granted the ADA exception will be eligible to receive awards similar to those granted to students with the same enrollment modes at HQD institutions. Non-HQD schools should monitor students categorized under these enrollment modes using the <50% Attendance report in PageCenter to verify whether or not ADA accommodation documentation has been received.

Please keep in mind that awards for students enrolled in a D E program of study at Non-HQD institutions are rejected for reason “G.” Therefore no attempt to update these students for enrollment mode should be made, as they are not eligible for the ADA accommodation. We will discuss how students enrolled in primarily online programs of study should be reported in a few slides. But first, let’s review an update to the remedial exception.

Slide 11 - Remedial Exception and Repeat Work

To support students that are not fully ready for undergraduate course work, many schools will offer remedial or developmental courses that help the student prepare for future collegiate-level courses. While PHEAA does not define what courses are degree versus remedial, remedial credits are typically prerequisites which do not count towards the degree requirements.

Since some students will require completion of these remedial courses before they can advance further, PHEAA provides students with an exception to the normal enrollment requirement. This exception may be applied for a maximum of 1.0 grants and may not exceed this. Additionally, the student must be awarded and enrolled in both degree and remedial courses during the term, with the number of remedial credits not exceeding the degree credits. For example, a full-time student enrolled in 12 semester credits could carry a maximum of 6 remedial credits with the 6 degree credits and receive the full-time remedial exception for that term.

The remedial exception allows students to use these credits, which otherwise would not be applicable, towards the enrollment used for State Grant consideration. Therefore, schools
should only report the remedial exception for awarded students who require the addition of remedial credits in order to meet the enrollment minimums. Meaning, students who either are ineligible for other reasons or already meet the enrollment minimums should not be reported for the remedial exception.

Effective the 2018-19 Academic Year, schools must report the remedial exception by the student’s last day of attendance. This deadline is intended to allow schools sufficient time to reconcile eligibility in a timely manner. Consistent with this reporting deadline, schools are not permitted to retroactively report a remedial exception for a completed term, which includes situations where the student has failed to earn the regular credits that were initially considered in the student’s half- or full-time enrollment status.

Along the same lines, the enrollment mode reporting should also be based only on the credits that are used for establishing eligibility. Remedial credits should only be included in the enrollment mode reporting when those credits were used toward determining the enrollment status.

For instance, a student taking 12 regular credits and 3 remedial credits would not have a remedial exception reported and would be evaluated on the 12 regular credits used to attain the full-time award status. Conversely, if a student were taking 9 regular credits and 3 remedial credits, a remedial exception could be applied so that the 3 remedial credits would be used to meet the full-time minimum. In this case, 12 credits should then be evaluated when reporting enrollment mode.

Now that we have covered the enrollment policy updates, let’s conclude our review of Chapter 2 with a discussion on the changes to the program of study requirements.

**Slide 12 - Approved Program of Study**

Section C within Chapter 2 is all about the Approved Program of Study requirements. While Chapter 1 outlines the requirements for program approval, Chapter 2 explains that students must be unconditionally admitted, and enrolled in approved programs of study in order to be eligible for State Grant awards. PHEAA defines the program of study as either the initial degree, certificate, or diploma program under which the student was admitted, or the program in which the student is currently enrolled.

Approved programs must meet the program length and program structure requirements. This means that approved programs must be at least two academic years in length and offered over a period of at least 15 months and no less than 60 weeks of instruction. Two academic years is defined as the equivalent of a minimum of 60 semester credits, 90 quarter credits, or 1,500 clock hours for AST or ASB programs. For non-degree programs, two academic years is equal to 1,800 clock hours.
With the passage of Act 5 of 2018, the requirement for students to be enrolled in programs of study that are comprised of at least 50% classroom instruction was nullified for HQD institutions. Students at HQD schools that are enrolled in programs with more than 50% online coursework will continue to be eligible for State Grant funds. For this reason, these students should not have their programs of study updated to D E, and will instead have their enrollment mode evaluated and reported. Award amounts for students in online programs at HQD institutions will be commensurate with the reported enrollment mode.

Students attending Non-HQD institutions must be enrolled in programs which are offered at least 50% in the classroom. Students who are enrolled in programs that are structured to be more than 50% online, should be reported as D E in the Program of Study field and will be ineligible for a State Grant award for reject reason “G.” The enrollment mode reporting and ADA accommodation are not applicable for these students.

**Slide 13 - 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 14 - 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 15 - 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 withdrawals 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
Pennsylvania State Grant Program
Summary of Changes

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.

Now that we have covered the updates included in Chapter 3, let’s wrap up this discussion with the updates made to final chapter of the Handbook, Program Review and Audits.

Slide 16 - Program Review and Audit Findings

The other category of findings that may result from a program review or audit are administrative findings. Administrative findings do not count toward the error rate calculation and include but are not limited to: special programs findings, late return of refunds, late return of rosters, and crediting before establishing student eligibility.

New administrative findings for the 2018 19 award year include: instances when enrollment mode is not updated but there is no impact to eligibility, the inclusion of costs not approved by PHEAA during the educational cost collection process; overpayments of less than $50 and all underpayments of State Grant awards. A more comprehensive list of administrative issues that will be cited are found in the handbook in Chapter 5.

As a reminder, the receipt of four or more administrative findings during a Routine Program Review will result in the requirement of a Follow-Up Review.

Slide 17 - Appendices

Before we conclude, we would like to take a moment to highlight the changes made to the 2018 19 Handbook Appendices. In direct response to school feedback, PHEAA created the appendices to supplement the information presented in the Handbook chapters. Within this section, you will find additional assistance with the application of State Grant policies and procedures, as well as explanations on how best to use the technical resources available for program administration. Therefore, as policies are updated from year to year, we in turn update the relevant portions of the appendices to reflect those changes.

As expected, for 2018 19, many of the updates were to align guidance within the appendices with the policies impacted by the integration of distance education and the new enrollment mode
functionality. For instance, we added the review of enrollment mode to the State Grant Certification Checklist in Appendix I.

One update made to the appendices which is unrelated to distance education is within Appendix C, Viewing Data and Reports. In Appendix C we have added a chart to provide you a better understanding on how to calculate remedial counters used for a State Grant recipient.

We encourage schools to take a look at this addition as well as the other information presented in the appendices, as each contains valuable and helpful information about administering the PA State Grant Program.

**Slide 18 - 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 19 - Thank you**

Thank you for listening to the overview of the PA State Grant Summary of Changes for the 2018-19 Academic Year and 2019 Summer. 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.