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PHEAA Board approves $5,750 potential total PA State Grant award for 2022-23

Program to serve nearly 107,000 Pennsylvania students with financial need in coming year

Harrisburg, PA (April 21, 2022) – The Pennsylvania Higher Education Assistance Agency (PHEAA) today announced that its Board of Directors adopted a 2022-23 PA State Grant Program awarding formula that increases the potential total award from $5,000 to $5,750, while providing awards to an additional 9,000 students.

The new awarding formula maintains the current year’s $5,000 maximum award while providing up to an additional $750 pandemic inflation adjustment to help alleviate some of the increased financial pressure that students and families are experiencing in today’s challenging economy.

PHEAA’s Board reevaluates the awarding formula annually by analyzing several factors, including tuition costs, the effect of inflation on family incomes, the number of expected applicants, and the Governor’s recommended funding for the program as part of the budget proposal for the Commonwealth.

“The long-term financial benefits of the PA State Grant Program – especially in ability to reduce the need to borrow - cannot be underestimated,” said Representative Mike Peifer, PHEAA Board Chairman. “Our research shows that PA State Grant recipients attending 4-year colleges, who are also Pell-eligible, tend to borrow nearly $7,600 less over 4 years. This is significantly impactful in today’s challenging economy.”

For 2022-23, Governor Wolf has proposed a $350.37 million appropriation for the PA State Grant Program, which is nearly $40 million more – or a 12.8% increase - over the current year. If approved by the General Assembly, this will be the largest year-over-year dollar increase in the program’s history.

“We appreciate the Governor’s commitment to the PA State Grant Program and to the students and families it serves throughout the Commonwealth,” said Senator Wayne Fontana, PHEAA Board Vice Chairman. “Today’s action by the Board thoughtfully modifies the PA State Grant awarding formula to ensure that the increased funding will provide the most meaningful financial assistance to Pennsylvania students who have the most financial need.”
During Governor Wolf's first seven annual budgets, the PA State Grant Program received cumulative appropriations totaling more than $2 billion, which was used to fund nearly 937,000 grant awards to Pennsylvania students.

The PA State Grant Program has disbursed more than $12.3 billion in grant awards since its inception in 1966.

PHEAA covers all administrative costs of the PA State Grant and other student aid programs for the Commonwealth, in addition to self-funding the Agency’s public awareness and outreach mission, saving taxpayers an additional $12.4 million in the current year alone.

The Agency's outreach efforts include recent efforts to increase FAFSA (Free Application for Federal Student Aid) submissions for 2022-23, which had been lagging as much as 25 percent when compared to the previous year. Submitting the FAFSA is the required first step toward determining eligibility for both federal AND state student aid, including the PA State Grant Program.

These initiatives include a statewide media briefing hosted by Senator Fontana and dozens of FAFSA completion events held in communities throughout the Commonwealth, in addition to a targeted social media campaign – all of which reduced the year-over-year FAFSA submission deficit to just eight percent.

PHEAA is also reminding students and families that the 2022-23 PA State Grant application submission deadline is May 1. This deadline applies to all renewal applicants and first-time applicants who plan to enroll in a college, university, or college transfer program at 2-year public or private colleges (except community colleges and designated Pennsylvania Open Admission institutions).

To apply for a PA State Grant, applicants must first complete the 2022-23 Free Application for Federal Student Aid (FAFSA®), which can be accessed online at PHEAA.org/FAFSA or StudentAid.gov.

In addition to completing the FAFSA, first-time applicants must also submit a PA State Grant Form (SGF). First-time applicants who submit the FAFSA online will be automatically redirected to the SGF by following the onscreen prompts on the confirmation page. First-time applicants who have already submitted their FAFSA but have not completed the SGF will receive an email directing them to PHEAA’s secure Account Access site for completion. Both applications are free to submit.

Students and families are also encouraged to visit PHEAA on Facebook, Twitter (@PHEAAid), and LinkedIn where they can learn more about the higher education financial aid process, get reminders of financial aid deadlines, and obtain 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.
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.