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NEWS RELEASE

CONTACT: Keith New, 717-720-2509
knew@pheaa.org

PHEAA's Board of Directors Adopts 2020-21 PA State Grant Awarding Formula

Approves \$15 million in supplemental funding for need-based grant awards

Harrisburg, PA (May 28, 2020) – The Pennsylvania Higher Education Assistance Agency (PHEAA) today announced that its Board of Directors approved an awarding formula for the 2020-21 PA State Grant Program that maintains a maximum award of \$4,123, while serving approximately 126,455 students.

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

PHEAA's newly approved awarding formula will be used to calculate 2020-21 "conditional award" notices for students. These early notices are provided each year for planning purposes and are subject to change, pending final passage of the Commonwealth budget.

The formula takes into consideration several factors, including family resources, the cost of tuition, the projected number of applicants, and the expected available financial resources.

The PA House of Representatives recently passed a stopgap budget for the Commonwealth that provides 12 months of level funding for PHEAA-administered student aid programs, including \$310.7 million for the 2020-21 PA State Grant Program.

"As the budget bill heads to the State Senate, and hopefully on to the Governor for approval, I am both appreciative and proud of my colleagues for making Pennsylvania students a priority during this historically challenging budget process," said Representative Mike Peifer, PHEAA Board Chairman. "COVID-19 continues to create uncertainty for many, but by providing students with a stable source of student aid funding, they will be able to move forward with their 2020-21 higher education plans with confidence."

The PHEAA Board also approved a \$15 million supplement for the PA State Grant Program, bringing total financial resources for 2020-21 to \$325.7 million, which is needed to maintain the \$4,123 maximum award. PHEAA's supplement is funded entirely by the Agency's business operations at no cost to taxpayers.

New for 2020-21, the PA State Grant formula provides the same eligibility consideration regardless of how coursework is delivered; meaning that otherwise-eligible students enrolled in distance education will maintain full eligibility for PA State Grant awards. This is particularly important in light of a likely increase in distance education enrollments for the 2020 fall term as a result of COVID-19.

(more)

“This pandemic has fundamentally changed how postsecondary schools operate and how students participate in their classes – both physically and virtually,” said Senator Wayne D. Fontana, PHEAA Board Vice Chairman. “Considering today’s higher education environment, if a student’s eligibility for a PA State Grant is otherwise equal, then how they choose to participate, or how their school may require them to participate, should also be considered equally.”

Previously, the awarding formula made an eligibility distinction between traditional in-classroom students, who qualified for a \$4,123 maximum award, and distance education students, who qualified for a \$3,092 maximum award, or 75 percent of a traditional award in 2019-20. PHEAA’s Board of Directors temporarily eliminated this distinction at their March 2020 Board Meeting as part of a COVID-19 student aid rules relief package. Today’s action formally removes this distinction for the entire 2020-21 school year.

PHEAA has provided more than \$1 billion in supplemental funding for student aid programs over the last 10 years. The Agency also self-funds the administration of the PA State Grant Program 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, at facebook.com/pheaa.aid, where they can learn more about the higher education financial aid process, obtain reminders of financial aid deadlines, and gain 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.

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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. The agency operates its digital technology division as [Avereo](#).