



FOR IMMEDIATE RELEASE

NEWS RELEASE

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

With Final State Budget, PHEAA Begins State Grant Processing
PHEAA to expedite processing quickly and efficiently

Harrisburg, PA (October 13, 2009) – The Pennsylvania Higher Education Assistance Agency (PHEAA) announced today that with the Governor's approval of the 2009-10 state budget it quickly began processing final awards for the need-based State Grant Program.

Thanks to efforts of the PHEAA Board of Directors, the General Assembly and the Governor's office during budget negotiations, final funding for the State Grant Program stands at \$403.6 million.

"With our nation's recession taking a toll on government revenues, the 2009-10 state budget process was the most challenging in decades," said PHEAA Board Chairman, Representative William Adolph. "The final budget contains funding levels for the State Grant Program that reflects the importance that all parties place on helping our students afford a higher education."

PHEAA began recalculating individual award amounts for as many as 172,000 grant recipients based on the final appropriation amount. This process should be completed by the end of this week. PHEAA will then post updated individual award amounts online, which can be accessed by students through PHEAA's secure online Account Access at PHEAA.org. PHEAA will also send individual notifications to students and provide postsecondary schools with updated State Grant rosters listing their students' final award eligibility as quickly as possible.

"We need to thank schools throughout Pennsylvania that stood up for their students by covering the cost of their anticipated awards, often while enduring their own financial difficulties due to our weakened economy," noted PHEAA Vice Chairman, Senator Sean Logan. "Without the support of their schools, many families would have been hard-pressed to come up with the money needed to replace the Grant award that they were counting on."

- more -

With a \$403.6 million final appropriation and current applicant data, PHEAA expects to be able to maintain last year's maximum award of \$4,120 for the 2009-10 academic year, however, the average award will drop to \$2,728 from the average of \$2,794 for 2008-09.

The entire process of distributing State Grant awards, including disbursement of funds from the Pennsylvania Treasury to PHEAA, is expected to take at least four weeks.

PHEAA funds the administrative costs of the State Grant Program with its business earnings, which saves taxpayers about \$11 million a year.

###

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 nonprofit 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 systems and outreach programs. As a nonprofit organization belonging to the Commonwealth of Pennsylvania, PHEAA devotes its energy, resources and imagination to developing innovative ways to ease the financial burden of higher education for Pennsylvania's students, families, schools and taxpayers.

Jane D. O'Neil
State Senator

2009 OCT 15 AM 9:43

RECEIVED