

**To:** Faculty and Staff

**From:** President Dillman

**Subject:** Update on Status of PHEAA Grants

As you may know, the June 30 deadline for approval of the new state budget has come and gone and there has been no agreement by the governor and the members of the General Assembly on a spending plan for the new fiscal year which began July 1. One of the results is that the Pennsylvania Higher Education Assistance Agency (PHEAA) is unable to finalize student grant award amounts or distribute funds to PASSHE universities due to the current legislative 2009-2010 State budget impasse. Approximately 1,500 ESU students are depending on the grants for the fall semester for tuition, books and housing. The anticipated maximum PHEAA grant award for 2009-2010 was \$3,507.

With the expectation that the budget will be passed in the fall, the university is enacting a plan which will ensure that students who are relying on the grants will remain enrolled. ESU will credit anticipated PHEAA grants to students' tuition bills until the new State budget is approved and PHEAA is able to distribute the grants. The Enrollment Services staff understands that while this initiative will require us to be diligent in monitoring its billing and accounting systems, this plan is in the best interest of our students and will enable them to continue their educational success at ESU.

The information below was shared with students and their families via e-mail and correspondence on 8/14/09 in order to let them know how ESU will assist them. If students who are concerned about the status of their PHEAA grants contact you directly, please share the University's plan with them and invite them to visit the Enrollment Services website at [http://www4.esu.edu/current\\_students/enrollment\\_serv/index.cfm](http://www4.esu.edu/current_students/enrollment_serv/index.cfm) or by calling (570) 422-2800.

Thank you in advance for your help and cooperation during this trying time for our students and the university.

**AN IMPORTANT MESSAGE FOR STUDENTS RECEIVING PHEAA GRANTS FOR THE FALL 2009 SEMESTER**

The Commonwealth of Pennsylvania has not yet approved a budget for 2009-2010. The Pennsylvania Higher Education Assistance Agency (PHEAA) depends on funds from the State budget to issue state grants for students. PHEAA is therefore unable to provide grant awards for the 2009-2010 school year.

With the beginning of the fall semester less than one month away, all of our Pennsylvania students who expect to receive PHEAA grants are probably concerned about how they will pay for their college expenses in the absence of these funds. Be

assured that East Stroudsburg University (ESU) understands your dilemma and we are prepared to assist you in continuing your education with us.

We are confident that a State budget will be passed by the fall. ESU has established a plan that will allow you to use your PHEAA grant as a credit towards your fall tuition bill with the expectation that your PHEAA funds will eventually pay that portion of your tuition costs. Your other financial aid awards and family contributions can then be used to pay for remaining tuition costs, room and board, books, and other college expenses. Once PHEAA grants are released, those dollars will be applied to cover the unpaid portion of your tuition bill.

Participation in this plan requires no action on your part! ESU will automatically defer payment of your PHEAA grant without penalty and assign that award amount to cover a portion of your fall tuition expenses. All other federal financial aid will be paid as outlined in your tuition bill statement.

You should also keep in mind that PHEAA officials believe that their 2009-2010 appropriation is likely to be reduced in response to the decline in state revenues. As a result, please note that any shortfall between your previously packaged grant and the actual amount you receive may result in a tuition balance owed for the fall 2009 semester. It will be your responsibility to pay any additional balance.

If you have any questions or would like additional information, the staff in the Center for Enrollment Services will be happy to assist you. You may reach us by calling (570) 422-2800 or (800) 378-6732. Best wishes to you as we begin another exciting academic year.

Kizzy Morris

Director of Enrollment Services and Registrar