

**Penn State's Office of Student Aid**  
**Comments on Pending Legislation: SB 713; SB 78; SB 420**

**SB 713** - The Pennsylvania DREAM Act provides in-state tuition for undocumented individuals who can offer proof of having attended at least two years of high school and meet all Commonwealth residency requirements for financial aid.

Penn State Comments: Penn State's Office of Student Aid supports SB 713 in order for undocumented Pennsylvania students to be charged an in-state tuition rate and to have the potential to receive some gift aid from the Commonwealth to support their academic endeavors. These students are living in the Commonwealth through circumstances not of their making, nor in their control, and should not be penalized for their situation. We support this legislation that assists them financially to attain a degree of higher education in the Commonwealth, and believe this to be a more generous legislative policy. These students, and their families, are contributing members of many of the communities of the Commonwealth and deserve to be acknowledged for their current and future contributions to the state's economic development. At the current time, we have no data to support how many students this may impact since these students need to self-identify, and in the past have been hesitant to do so.

**SB 78** - Amends the Higher Education Scholarship Law further providing for eligibility of scholarships by adding that the recipient shall be free to enroll at any approved institution of his choice and apply the scholarship toward the tuition, room, board, books and fees of that institution, regardless of the percentage of credit or clock hours required for completing a program of study through online courses.

Penn State Comments: Currently Pennsylvania is the only state in which the state grant program restricts from eligibility, those students who enroll in on-line courses that comprise a significant part of their higher education program. Penn State on-line learning courses enable access to a higher education degree for those who may otherwise be unable to attend college. Limiting access to the state grant program for on-line course takers could be viewed as discriminatory. Current policy is not supportive of an otherwise eligible student's goal to achieve a college degree. We support SB 78, which would allow on-line course takers access to scholarships and other funds for qualified students of the Commonwealth in need of financial assistance to obtain their education goals. At Penn State, in the 2012-13 award year, this would impact at a minimum 1,000 students who would otherwise be eligible for this funding, but who are currently deemed ineligible. Students who enroll in on-line learning typically have other life responsibilities and financial obligations. They are trying to incorporate completing a higher education degree into a lifestyle with competing obligations. The lack of grant funding to assist them with their educational goals most often propels them to seek additional education loans. Excessive reliance on education loans is not good for these on-line college students nor is it good for their potential economic contributions to the Commonwealth.

**SB 420** - The Middle Income Student Loan Reduction Act provides definitions and legislative purpose to establish a state grant program through and to be operated by the Pennsylvania Higher Education Assistance Agency targeted toward middle income families in Pennsylvania whose income would otherwise preclude them from state grants for higher education assistance. The legislation provides for eligibility requirements, grant awards, selection of

recipients of grants, and an initial appropriation of \$36 million in 2013-2014. Grant renewal process and procedure is detailed along with reasons for denial of a grant.

Penn State Comments: Penn State's Office of Student Aid believes that the first priority for state student aid funding is to meet the needs of the lowest income citizens of the Commonwealth to ensure their access to postsecondary education. At the same time, we recognize that middle income families are often least served by federal and state funded student aid program. To the extent that appropriations allow, we support efforts to assist middle income families. These Pennsylvania families currently do not receive any of the federal grant programs (Pell Grant or Supplemental Educational Opportunity Grant), nor do they qualify for the Pennsylvania State Grant. For most colleges and universities, institutional grants and scholarships are insufficient to assist many middle income students. Most often, middle income families qualify for only a subsidized and an unsubsidized Federal Student Stafford Loan. Through the Federal Parent Loan and private loans, our families borrow excessively to pay the cost of education and have struggled more so during the recent economic climate. In 2012-13, Penn State has 5,996 Pennsylvania families whose students may qualify for this funding to assist with direct tuition and fees charges for the year. Penn State's Office of Student Aid supports SB 420 to assist Pennsylvania middle income families to fund their children's goals to attain a higher education degree in the Commonwealth. An investment in this cohort of families would further support the economic future of the Commonwealth of Pennsylvania.