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MEMO



Senate of Pennsylvania

December 9, 2010

TO: ALL SENATORS

FROM:

Stewart J. Greenleaf

Stewart

SUBJECT: Cosponsorship – PHEAA Grants and Online Education

I am reintroducing **Senate Bill 1120**, amending the Higher Education Scholarship Law to allow PHEAA Grants to be available for eligible students wishing to pursue a degree through online (distance) education.

Under current law, an individual must meet several requirements (i.e., financial need, attend a PHEAA-approved school) before they can qualify for a PHEAA Grant. While the law states that a recipient shall be free to attend any approved institution of his choice, a rule adopted by PHEAA restricts that choice because a student must enroll in an approved program of study that requires at least 50% of the credits needed for completion of that program to be earned through classroom instruction. This 50% rule is preventing students who are eligible for a PHEAA Grant from seeking a degree via distance learning as compared to face-to-face learning.

Interestingly, Congress passed a law, The Higher Education Reconciliation Act of 2005, which struck down a 1992 statute denying online students equal access to certain types of federal loans. Specifically, students at universities providing more than 50% of their courses online could not qualify for federal financial assistance. This act removed that rule thus opening up the availability of financial assistance for online education. The same would hold true with the passage of this legislation as it would provide online students with the same access to state grants as students attending a traditional bricks-and-mortar classroom.

More and more students are pursuing their education online. According to a 2007 report by the Alfred P. Sloan Foundation, a philanthropic not-for-profit grant making institution, entitled "Online Nation: Five Years of Growth in Online Learning," online course registrations at colleges have continued to grow much faster than residential or campus enrollments. About 3.5 million students were taking at least one online course during the fall 2006 term, a nearly 10% increase over the number reported the previous year and a near doubling from the 1.6 million students enrolled in 2002. The report also states that "more than two-thirds of all higher education institutions now have some form of online offerings, with the majority of these providing programs that are fully online."

If you are interested in cosponsoring this legislation, please contact Pat Snively of my office by e-mailing her at psnively@pasen.gov.