



PASFAA

Spring Training 2019

# TRENDING ISSUES IN PA HIGHER EDUCATION AND ACT 121 (HB2124)

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National and regional data suggest that, by 2025, approximately 63 percent of Pennsylvania jobs will require some form of postsecondary education or training.

The overwhelming majority of STEM jobs in Pennsylvania – 91 percent – will require some form of postsecondary credential.

Currently, only 46.7 percent of Pennsylvanians hold a postsecondary credential.

- Only 28 percent of Pennsylvanians who are Black hold a credential.
- Only 23 percent of Pennsylvanians who are Latinos hold a credential.

Undergraduate enrollment in Pennsylvania postsecondary institutions has fallen nearly 12 percent since 2010.

Only 65 percent of PA high school graduates enroll in postsecondary education within 16 months of graduation. Yet, less than 60 percent of those students earn a degree or credential within 6 years.

## Trends in Educational Attainment

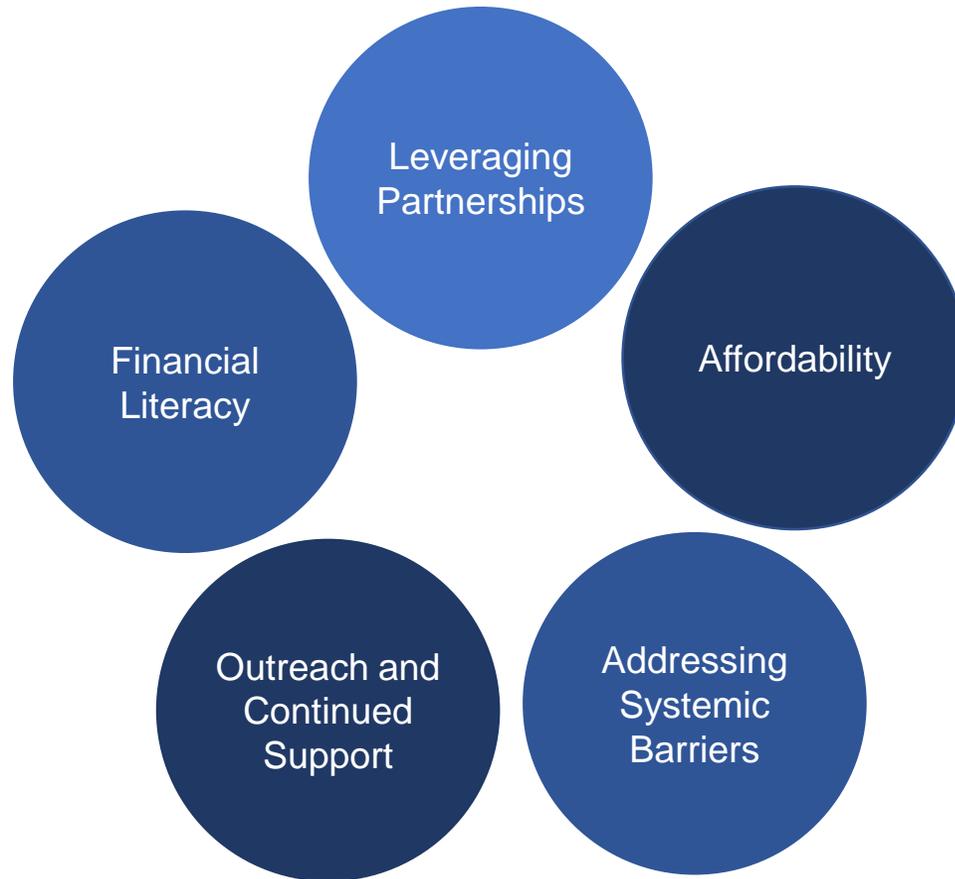
The average in-state tuition and fees for Pennsylvania's public universities now totals more than \$14,000 in the 2017-18 academic year – the 3<sup>rd</sup> highest in the country.

PA ranks 2<sup>nd</sup> in terms of debt held by college student graduates, with an average debt of \$36,854.

## POSTSECONDARY ATTAINMENT GOAL

In November of 2016, the PA State Board of Education Council on Higher Education passed a Motion to Support the first statewide postsecondary attainment goal: **60 percent of Pennsylvania residents having a postsecondary degree or certificate by 2025, with a particular focus on closing the attainment gaps for historically underrepresented populations.**

## PA Strategies for Postsecondary Attainment





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## ACT 121 of 2018 (Student Loan Summary Notification)

**NOTE.** The provisions outlined in the Act 121 and summarized in this document will go into effect beginning in September of 2019.

**DELIVERABLE(S).** An institution of Higher Education (IHE) that receives federal education loan (or other student loans) information must provide students [on an annual basis at a time determined by the school, but no later than July 1 of each year] with the following information:

1. **[AMOUNT DISBURSED]** An estimate of the total amount of the federal loan(s) [or other student loan(s)] disbursed by the institution(s) and taken out by the student;
2. **[REPAYMENT AMOUNT]** If the loans are to go into repayment as of the date of the annual notification, then the information shall also include an estimate of the total payoff amount of the federal education loans [or other student loan(s)];
3. **[YEARS OF REPAYMENT]** The number of years used in determining the potential total payoff amount;
4. **[REPAYMENT TOOL]** A link to a federal online aid counseling tool and information on how the student can access an online repayment calculator/estimator; and
5. **[DISCLAIMER]** The information provided may include a statement that any estimate or range provided is general in nature and not intended to be a guarantee or promise of an actual projected amount. If included, the statement shall include a disclaimer indicating the information provided pertains only to the federal loans [or other student loan(s)] disbursed at (or directly from) the respective institution.

## ACT 121 of 2018 (Student Loan Summary Notification)

**MEANS OF PROVISION.** An IHE shall provide the information to students through first class mail, electronic mail, or other communication protocol established by the institution.

**CONTRACTOR.** An institution may contract with a student loan servicer, including the PA Higher Education Assistance Agency (PHEAA), to provide the information required.

**ADMINISTRATOR OF PROVISION.** The PA Department of Education shall administer and enforce the provision of this Act.

## DEFINITIONS

**Institution of Higher Education as defined in section 118(c):** “Institution of higher education” includes any of the following:

1. A community college operating under Article XIX-A.
2. A university within the State System of Higher Education.
3. The Pennsylvania State University.
4. The University of Pittsburgh.
5. Temple University.
6. Lincoln University.
7. Any other institution that is designated as “State-related” by the Commonwealth.
8. Any accredited private or independent college or university.
9. Any private licensed school as defined in the act of December 15, 1986 (P.L. 1585, No.174), known as the “Private Licensed Schools Act.”

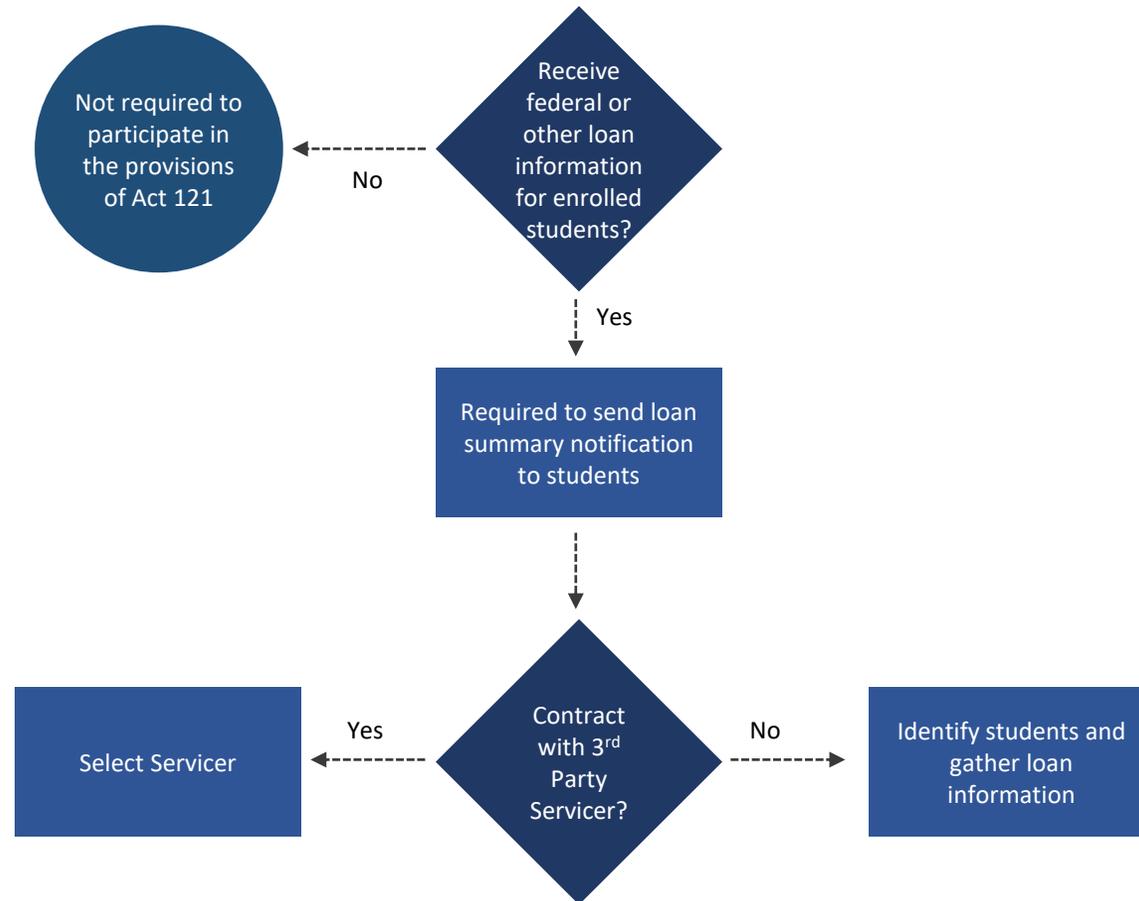
**Student as defined in section 118(c):** “Student” shall mean a person who attends an institution of higher education, whether enrolled on a full-time, part-time credit or noncredit basis.

## ACT 121 of 2018 (Student Loan Summary Notification)

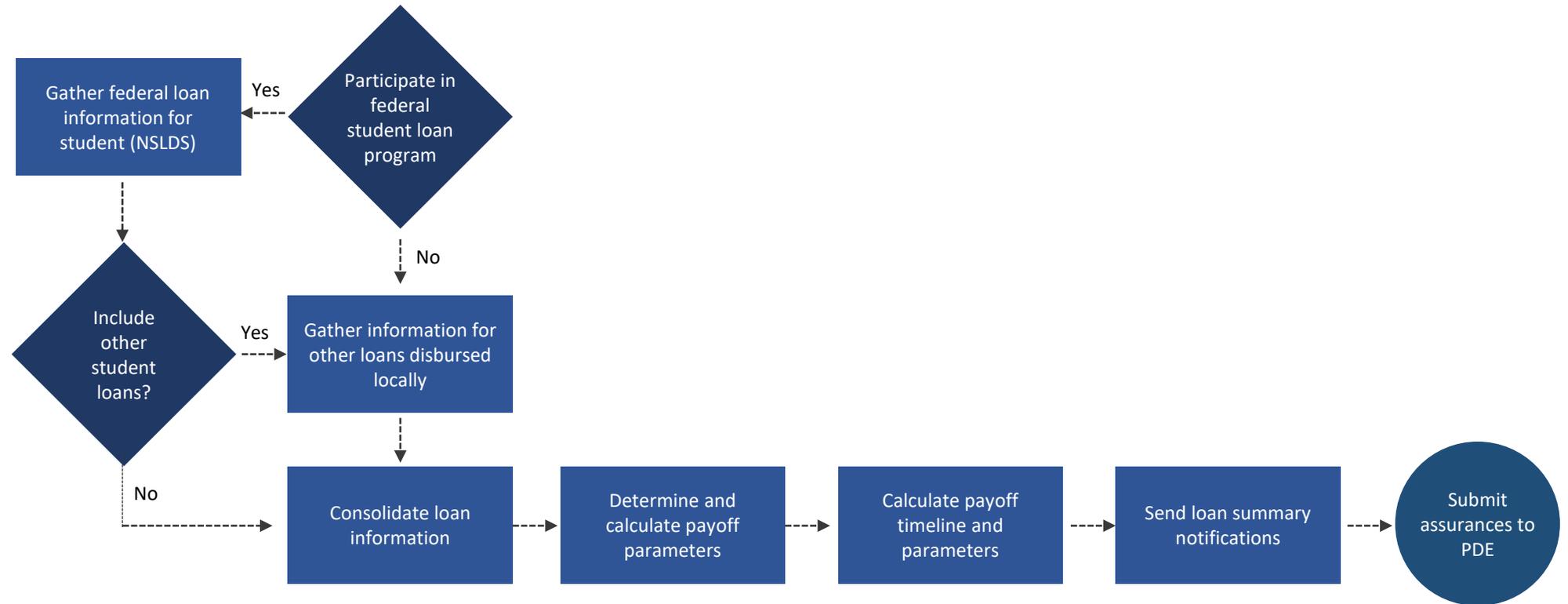
### TENTATIVE TIMELINE

January 24, 2019	Meeting of Ad Hoc Advisory Group, Harrisburg
March 6, 2019	Complete Draft of Letter(s)
March 7, 2019	Meeting of Ad Hoc Advisory Group, Harrisburg
March 12, 2019	PASFAA Regional Meeting at Kutztown
March 14, 2019	PASFAA Regional Meeting at Slippery Rock
March 21-29, 2019	Feedback from key HE stakeholders
April 5, 2019	Finalize Letter(s)
June 1, 2019	PHEAA product development begins (subject to change)
September 1, 2019	Effective Date for ACT 121 of 2018
July 1, 2020	Final Date for Dissemination of Loan Summary Notification

# ACT 121 of 2018 (Student Loan Summary Notification)



# ACT 121 of 2018 (Student Loan Summary Notification)



# ACT 121 of 2018 (Student Loan Summary Notification)

## LOAN SUMMARY

<<Month>> <<Day>>, <<Year>>

Dear <<FIRST NAME>> <<LAST NAME>>,

<<Institution Name>> is committed to keeping you informed about your student loan debt and providing you with necessary guidance and resources to assist you with your financial planning during your journey toward postsecondary success.

Below is a summary of your total estimated student Loan liability as of <<Current\_Date>>. Please note that **the loan summary does not include** information on any student loan funds you borrow in the upcoming academic year. Nor is it inclusive of any information pertaining to other private loans you may have received at <<Institution Name>>.

This summary is based only on the total amount of **Federal Student Loans and Other Student Loans** that you **may have taken** at <<Institution Name>> and does not reflect any student loan debt that you may have incurred at other institutions you may have previously attended. We ask that you please review the loan summary information carefully as it may assist you with future borrowing decisions about your student loans.

### Loan Summary

#### Federal Direct Student Loans

Principal Loan Amount<sup>1</sup>  
10-Year Interest Rate  
Standard Repayment Term  
Estimated Monthly Payment  
Total Payoff Amount

☐

#### Other Student Loans

Principal Loan Amount<sup>1</sup>  
10-Year Interest Rate  
Standard Repayment Term  
Estimated Monthly Payment  
Total Payoff Amount

☐

While the factors that influence your individual decision to borrow a student loans may vary, **the responsibility to pay back your loans ultimately rests with you.** The more informed you are about the short- and long-term implications of your borrowing decisions the better off you will be. For this reason, we encourage you to take advantage of the following resources that are available to students that will help you better understand your loan debt and repayment options:

- ☐ Students who may have borrowed from multiple institutions may find valuable information about other loans they may have by logging into the National Student Loan Data System (NSLDS) at [NSLDS.ed.gov](https://www.nsls.ed.gov)

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HERE

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- ☐ Visit [Studentloans.gov](https://studentloans.gov) for information on calculating monthly payments and to explore various repayment options.
- ☐ The Financial Awareness Counseling Tool (FACT) provides tools and information to help you understand your financial aid and help you manage your finances.

If you have any questions or believe that these estimates are not accurate, please contact the financial aid office at <<PHONE NUMBER>>, or email us at <<E-MAIL>>.

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Questions?