

## **PHEAA Criticized for Excessive Spending on Executive Bonuses**

By Amit Agarwal

Dick Willey, president and CEO of the Pennsylvania Higher Education Assistance Agency (PHEAA), has received a \$180,857 bonus on top of his salary of \$289,118 per year. Three of Willey's vice presidents have been given bonuses worth \$113,515, while a fourth received \$52,436. Added together, the bonuses totaled more than \$500,000.

Pennsylvania Governor Ed Rendell stated, "Those bonuses, given the salaries those executives receive, are outrageous." A few lawmakers have also criticized the hefty bonuses paid to the agency leaders. The state's student financial aid agency had already been under pressure for months because of its prolific spending on board retreats and travel. Rendell, along with several lawmakers, thinks PHEAA should be privatized.

Defending the bonuses, PHEAA executives said they did not get raises this year, unlike other employees of the agency. However, in light of the generous salaries received by the executives, the extravagant bonuses seem unfair-especially when one considers that the executives are public servants and have recently been criticized for their spending habits.

A spokesman for Gov. Rendell said, "This is another example of the agency's failure to understand that its mission is to help students pay for college and not to provide further compensation for well-paid executives."

A nonprofit organization, PHEAA was created by the Pennsylvania Legislature and self-finances its operating expenses. The agency awards almost \$500 million per year in the form of student grants and subsidies financed by state taxpayers' money.