

Eliminating “Ability to Benefit” Student Aid Options Closes Door to College Credentials for Thousands and Undermines Innovation

Student Aid “Ability to Benefit” Options Eliminated

The *Consolidated Appropriations Act of Fiscal Year 2012* passed in December 2011 barred students without a high school diploma, equivalent (such as GED®) or homeschooling from receiving federal student aid - *even if they can prove their ability to benefit from college*. The change goes into effect for students enrolled for the first time on or after July 1, 2012. Previously, these students could qualify for student aid by proving their “ability to benefit” (AtB) by either: (1) passing a federally-approved test; or (2) passing six credit hours. Also, states could specify a process for determining students’ ability to benefit. All of these options were cut, generating small budget savings of \$268 million in 2012.

Thousands of Needy Students Hurt – Many are Underserved Students

We estimate that about 90,000 college students qualify for Pell Grants based on the AtB provisions.ⁱ These students are more likely to be low-income, first generation and minority than other students receiving federal aid.ⁱⁱ An estimated 31% of AtB students are Hispanic and 19% are Black – compared to 14% of all undergraduates who are Hispanic or Black.ⁱⁱⁱ

In a U.S. Department of Education study, students who earned their AtB by passing six credit hours completed almost as many credits and had a slightly higher grade point average than Title IV students with high school diplomas.^{iv}

Elimination Closes the Door to Educational Credentials, State Aid Programs and Good Paying Jobs

Forcing students who can benefit from college *now* to sequentially earn a GED® and then a postsecondary credential drags out their educational pathway, prolonging their time to degree and access to good wages to support their families.

This elimination forces a student to earn a GED® or other equivalent to access student aid – a longer route to completion - but a GED® does not guarantee a successful transition to higher education or credential attainment:

- In 2010, just 8% of all adult education students earned a GED®.^v
- Although 43% of GED® completers in a 2003 cohort enrolled in postsecondary education, just 12% who enrolled graduated.^{vi}

Demand for GED® and adult education exceeds capacity: at least 160,000 adult education students are on waiting lists and nearly every state reports the existence of a waiting list for services. In some states, demand is so high that programs have lotteries to determine who can be served.^{vii} Federal and state workforce and adult education funding that might otherwise be able to support AtB students has been declining in recent years and is too low to meet the need.

The AtB elimination cuts off access to *state student aid programs* for most students because almost all state programs are directly tied to federal eligibility.^{viii} It’s a “double whammy” for students without a high school diploma or equivalent.

This Cut Undermines Promising Programs That are Improving College Completion

Adult career pathway models have emerged in over a dozen states^{ix} to help lower-skilled low-income adults earn credentials more quickly than in regular programs. Washington State’s I-BEST, Minnesota’s FastTRAC, Wisconsin’s RISE, and Illinois’ Bridge programs provide students – many lacking high school credentials –with a sequence of education and training courses within specific occupations in partnership with employers and combined with support services. These models are showing promising results for credit and credential attainment and many are out-performing traditional programs.^x Title IV aid is a critical source of funding for students in these programs, but this cut has undermined these innovations.

ⁱ The estimate is based on CLASP's analysis of NPSAS 2008 data. In that data set, about 1 percent of all undergraduates who received Title IV student aid were AtB students. Extrapolating that percentage to the number of Pell Grant students today results in about 90,000. Also see "Ability to Benefit Students" factsheet by NASFAA, 2012.

ⁱⁱ Letter to Representatives Rogers, Dicks, Rehberg, and DeLauro requesting reinstatement of student aid ability to benefit options dated March 20, 2012, signed by 26 members of the U.S. House of Representatives.

ⁱⁱⁱ *Why Access Matters: The Community College Student Body*, Christopher M. Mullin, American Association of Community Colleges, Policy Brief 2012-01PBL, February 2012.

^{iv} *Analysis of the Experimental Sites Initiative 2006-07 Award Year*, Prepared by David Rhodes, Federal Student Aid, U.S. Department of Education, June 2008.

^v John H. Tyler, "The General Educational Development (GED) Credential: History, Current Research, and Directions for Policy and Practice," Chapter 3 in *Review of Adult Learning and Literacy 2005*, National Center for Study of Adult Learning and Literacy, Cambridge, MA.

^{vi} Margaret Patterson, Jizhi Zhang, Wei Song, and Anne Guison-Dowdy, *Crossing the Bridge: GED Credentials and Postsecondary Educational Outcomes, Year One Report*, GED Testing Service, American Council on Education, April 2010.

^{vii} National State Directors of Adult Education Waiting List Survey, 2009 – 2010.

<http://www.naepdc.org/publications/2010%20Adult%20Education%20Waiting%20List%20Report.pdf>

^{viii} Based on information from an informal survey of members of the National Association of State Student Grant and Aid Programs, conducted in Fall 2011.

^{ix} Arkansas, California, Colorado, Florida, Illinois, Kentucky, Maine, Massachusetts, Michigan, Minnesota, Montana, New York, New Mexico, Nevada, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Texas, Virginia, and Wisconsin.

^x See "Adult Career Pathway and Bridge Programs Show Promise for Lower-Skilled Adult Credential Attainment," Center for Law and Social Policy, unpublished working draft, January 2012. For example, a rigorous study of the I-BEST program in Washington found that 90% of I-BEST students earned at least one college credit compared to 67% of similarly matched students. 55% of I-BEST students earned an occupational certificate compared to 15% of the matched group. 78% of I-BEST students persisted into the second year, compared to 61% of the matched group. 62% of I-BEST students made gains on the CASAS basic skills test compared to 45% of the matched group. From: Jenkins, Zeidenberg, and Kienzl, "Educational Outcomes of I-BEST, Washington State Community and Technical College System's Integrated Basic Education and Skills Program: Findings from a Multivariate analysis," CCRC Working Paper No. 16, Community College Research Center, Teachers College, Columbia University, May 2009.