After July 1, 2012, newly enrolled college students without a high school diploma or secondary school equivalent will no longer be eligible for federal student aid, due to the elimination of the “Ability to Benefit” (AtB) options by Congress in December 2011. The loss of AtB options threatens the economic mobility of low-skilled adults and youth seeking postsecondary credentials to improve their job prospects. This brief outlines the provision and why the AtB policy is essential for maintaining access to education and training for low-income, low-skilled students.

What is the “Ability to Benefit” option for federal student aid eligibility?
Currently, students without a high school diploma or GED can access federal student aid, including Pell grants, by showing that they have the “ability to benefit” from postsecondary education by passing a federally-approved test or successfully completing six credits toward a certificate or degree and receiving a “C” or higher. This last option that requires students to successfully complete six credits was based on the positive outcomes of pilots conducted through the Department of Education’s Experimental Sites Initiative.1 In those pilots, students without high school diplomas or GEDs who received financial aid after completing six credits (without federal aid) went on to earn higher grades and to complete more credits than students with high school diplomas. This “six-credit” option was adopted by Congress in 2008 and went into effect in July 2009.

When was AtB eliminated?
Congress eliminated the provision in December 2011 as part of the passage of the Consolidated Appropriations Act of Fiscal Year 2012, to fund federal programs for the remainder of fiscal year 2012 (October 2011-September 2012). This bill included several changes to student financial aid programs, including the Pell Grant program.

When does this change take effect?
The elimination of the “ability to benefit” option goes into effect on July 1, 2012. The Department of Education has issued clarifying guidance describing the changes with the new law; see the Department’s Dear Colleague Letter GEN-12-01. This guidance clarifies that the AtB elimination only applies to students without U.S. high school diplomas or equivalents who are newly enrolled in a college program eligible for federal financial aid after July 1, 2012. Because the AtB elimination only applies to students who enroll in college for the first time after July 1, 2012, students without U.S. high school diplomas or equivalents who were enrolled in a college program that is eligible for federal student aid at any time prior to that date will still qualify for student financial aid in the future through the ability to benefit options; they are “grandfathered” in. These grandfathered students do not have to have been receiving federal student aid to qualify to use AtB options in the future; they just have to have been enrolled in a college program that was eligible for federal student aid.

Are there additional requirements for students “grandfathered” in?

Until the Department issues further guidance, all that is known for certain is that the AtB change applies only to newly enrolled students and that previously enrolled students without a high school diploma can still use AtB options in the future to qualify for student aid. However, we would recommend that the grandfathering in of previously enrolled students be further interpreted as follows:

- The exception should apply to a student who was enrolled any time prior to July 1, 2012, even if it was several years ago. The student should not need to currently be attending college.
- To be eligible for the AtB options in the future, a student must be enrolled in a “program of study.” Furthermore, “program of study” means a Title IV eligible program. Under the exception, the student would not need to be enrolled in the same program of study in which s/he was initially enrolled in order to be eligible for student aid.
- Under the exception, the student should not need to have been eligible for Pell Grant or any other federal student aid previously; the only determinant should be if s/he was previously enrolled in a program of study that was eligible for federal student aid.
- Under the exception, if a student without a high school diploma or equivalent was enrolled in a Title IV eligible program at any point prior to the July 1, 2012 cutoff date and returns after it, that student could still utilize both AtB options—either passing an AtB test or successfully completing 6 credit hours—to gain eligibility for federal student aid. A student without a high school diploma or equivalent who enrolls for the first time after the cutoff date will not be able to utilize the AtB options. The Department would continue to maintain approval for relevant AtB exams, but could not guarantee that the test makers will continue to make available all of the tests.

How does the loss of AtB hurt students in integrated or contextualized programs, such as career pathway or bridge approaches?

AtB is a critical policy for supporting adult career pathway bridge programs and co-enrollment (adult basic skills and postsecondary courses) approaches. These models, often used to help low-income, low-skilled adults and out-of-school youth ease the transition to postsecondary education, combine basic skills instruction with higher-level academic or occupational instruction. \(^2\) AtB helps these students pay for the cost of their tuition after they complete six credits or the equivalent toward a certificate or degree as part of the bridge program. Without AtB, they would not be able to receive a single dollar of federal financial assistance—even student loans—for their college coursework. Unlike many higher-income students, adults and youth who are eligible for AtB are predominantly low-income, may work part- or full-time, and often have dependents.

These innovative models have rapidly grown in popularity because of their unique ability to help struggling, underprepared students make progress toward a meaningful postsecondary credential right away, without having to enroll in remedial classes that delay, and sometimes hinder, their ability to complete a postsecondary program of study. At least seven states (Washington, Illinois, Wisconsin, Minnesota, Kansas, Kentucky, North Carolina) are scaling the use of these models statewide and have shown signs of early success toward helping more adult students enroll in and complete postsecondary credentials.

\(^2\) Title IV is the section of the Higher Education Act governing federal student aid, including all grant, loan, and campus-based aid programs such as work-study.

\(^3\) For more information on bridge models, see C-PES brief Farther, Faster: Six Promising Programs Show How Career Pathway Bridges Help Basic Skills Students Earn Credentials That Matter, [http://www.clasp.org/admin/site/publications/files/Farther-Faster.pdf](http://www.clasp.org/admin/site/publications/files/Farther-Faster.pdf).