



Minnesota
STATE COLLEGES
& UNIVERSITIES

30 7th ST. E., SUITE 350
ST. PAUL, MN 55101-7804

Ph: 651.201.1800
Fax: 651.297.5550
www.mnscu.edu

DATE: September 22, 2015

TO: Chief Academic Officers
Chief Student Affairs Officers
Financial Aid Directors

FROM: Ron Anderson, Vice Chancellor for Academic and Student Affairs



SUBJECT: Ability to Benefit

In May 2015, the U.S. Department of Education sent a [Dear Colleague](#) letter that provided guidance regarding implementation of the new Ability-to-Benefit (ATB) provision of Title IV of the Higher Education Act (HEA). The provision, enacted as part of the Consolidated and Further Continuing Appropriations Act of 2015, allows students without a high school diploma or its equivalent to access Title IV funding (federal financial aid) if they are enrolled in an eligible career pathway program and have demonstrated potential for success in college. This is a memorandum to clarify the implications of this recent change on MnSCU campuses.

What is Ability to Benefit? The HEA requires students to have a high school diploma or its equivalent, or to complete a secondary school education in a home school setting, in order to be eligible to receive federal financial aid. Prior to 2012, students without a high school diploma or its equivalent were able to access financial aid as long as they were able to demonstrate potential for success in college. Students could demonstrate the potential for success in college through ATB alternatives, which consisted of passing a Department of Education-approved exam, earning six college level credits in an approved postsecondary program, or successfully completing a state process approved by the Secretary of Education. When students demonstrated one of these alternative measures and met all other program requirements, they were eligible to receive federal financial aid for their entire program of study. The ATB provision was eliminated as part of the FY2012 spending bill due to funding constraints.

In the 2015 spending bill, new ATB provisions were passed. Effective July 1, 2015, students without a high school diploma or its equivalent may be eligible for federal financial aid via the Department of Education-approved exams or the six college credit option, but only if students are enrolled in an “eligible career pathway program.”

Within MnSCU, System Procedure 3.4.1, Subpart E articulates that the approved ATB exam is the Accuplacer. The approved passing scores on the Accuplacer are as follows: Reading Comprehension (55), Sentence Skills (60), and Arithmetic (34). A student must attain passing scores on all three tests in order to be admitted under the provision in Board Procedure 3.4, Part 3.

Please note that System Procedure 3.4.1 is scheduled for review and will be updated in the future to reflect the new ATB provision. The new ATB provision should be followed until this system procedure language is updated.

What does this new Title IV change mean to MnSCU campuses? The recent change allows students without a high school diploma or its equivalent to access federal financial aid funding. To become eligible for financial aid under one of the ATB alternatives, students must be enrolled in an "eligible career pathway program," which requires students to be co-enrolled in an adult education component (Title II-Adult Basic Education) and a Title IV eligible postsecondary program. The adult education components of career pathways program may not be financed with Title IV funding.

This new measure retroactively applies to students who first enrolled in an eligible career pathway program on or after July 1, 2014, and allows those students to receive up to \$5,730 in Pell grants, the current maximum award. Students who enroll in an eligible program on or after July 1, 2015 may only access a "limited Pell Grant," or up to \$4,860. The maximum Pell grant available to all other students in 2015 will be \$5,775.

How is an eligible career pathway program identified? The Dear Colleague letter provides that "eligible career pathway" refers to "a combination of rigorous and high-quality education, training, and support services that are aligned with the skill needs of industries in state or regional economies, preparing individuals to be successful in secondary or postsecondary education program and the labor market."

An eligible career pathway program is any Title IV eligible program offered at postsecondary institutions that meets the following: (1) Students are co-enrolled in the postsecondary program and an adult education component (Title II-Adult Basic Education); (2) the program must provide students with counseling and supportive services to identify and attain academic and career goals; (3) the program must have structured course sequences that are articulated and contextualized and allow students to advance to higher levels of education and employment; (4) the program must provide for acceleration for students to attain recognized credentials; (5) the program must be organized to meet the needs of adults; (6) the program must be aligned with the education and skill needs of the regional economy; and (7) the program must have been developed and implemented in collaboration with partners in business, workforce development, and economic development.

What are examples of programs that meet the new ATB provisions? Minnesota's Pathways to Prosperity programs offered by MnSCU campuses (formerly known as Minnesota FastTRAC) would meet the eligible career pathways requirements. Some MnSCU campuses also offer programs, such as Integrated Education and Training, which co-enroll students in ABE and career technical programs; these types of programs may meet the eligible career pathways requirements. Additionally, under the newly reauthorized workforce development legislation, the [Workforce Innovation and Opportunity Act](#), includes a mandate for local boards to work with education providers to develop and implement career pathway programs. These programs can be designed to utilize the ATB mechanism.

When and how do MnSCU campuses apply Title IV benefits for students? We encourage those in academic affairs, student affairs, and financial aid units to discuss your local practice and process of implementing this change. In general, MnSCU campuses that have programs that meet the guidelines for an eligible career pathway program must notify their financial aid director to ensure eligibility of students. The determination of eligible career pathway programs does not require pre-approval from either the U.S. Department of Education or the MnSCU system office. This is a local decision at the campus level.

Please note that the financial aid risks are significant. Failing to comply with the required elements of the ATB provision definition of eligible career pathway programs could result in institutions returning all federal financial aid awarded to ATB students for the specified program.

If you have any questions and/or need additional information, please contact Pakou Yang at Pakou.yang@so.mnscu.edu or Jessica Espinosa at Jessica.espinosa@so.mnscu.edu.

For financial aid officers that have questions on how to package financial aid packages, please contact Chris Halling at chris.halling@so.mnscu.edu.