



## **Congress Expands Student Aid and Supports Innovation in Student Success, Basic Skills, and Workforce Partnerships**

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On August 14, 2008 President Bush signed into law the Higher Education Opportunity Act, Public Law 110-315,<sup>1</sup> the long-awaited reauthorization of the Higher Education Act of 1965 (HEA). The legislation, passed by Congress as H.R. 4137, expands student aid and funds college innovation to address several key challenges faced by low-income adults and older youth pursuing postsecondary education and training. As important as these victories are, a final hurdle remains; Congress must still vote to fund many provisions of the new law in its appropriations process. In addition, one potentially troubling feature of the bill is that it places a cap of 18 semesters on Pell Grant eligibility (prorated for enrollment status).

Below we highlight key provisions of the new law that affect postsecondary access and success for nontraditional students. Provisions are effective with the enactment of the law, unless otherwise noted. For an analysis of the loan-related changes, see the summary from the National Association of Student Financial Aid Administrators at <http://www.nasfaa.org/publications/2008/heasummary.html#TITLEIV>. The National Consumer Law Center will issue an analysis of the loan provisions, as well.

### Changes in Financial Aid Eligibility and in Pell Grants

- **Pell Grant Maximum.** Increases the authorized Pell Grant maximum for eligible students to \$6,000 for academic year 2009-10; and provides for annual increases of \$400 ending in \$8,000 for academic year 2014-15. Students will only receive these increases, however, if Congress appropriates funding for them; for example, the current authorized Pell Grant maximum is \$5,800 but the actual maximum grant funded by Congress is just \$4,731. Congress will already have to substantially increase Pell Grant funding—perhaps by as much as \$6 billion—just to maintain the current maximum grant level because far more students than expected applied for aid this school year (Section 401(b)).

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<sup>1</sup>For full text of the law, see [http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=110\\_cong\\_bills&docid=f:h4137enr.txt.pdf](http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=110_cong_bills&docid=f:h4137enr.txt.pdf)

- Pell Grant Minimum. Sets the Pell Grant minimum to 10 percent of the maximum Pell Grant level awarded for that year, rather than the current \$400. At the current maximum grant level of \$4,713, for example, the new policy would result in a minimum grant of \$471. In addition, students will automatically receive the minimum Pell Grant if they would otherwise qualify for a grant equal to at least half of the minimum grant. Effective July 1, 2009 (Section 401(b)).
- Year-Round Pell Grants. Allows students to receive Pell Grants for attending college year-round. Specifically, students attending at least half-time and enrolled in a certificate, Associate, or Baccalaureate degree program will be able to receive two Pell Grants during a single year to allow them to accelerate their studies. This is intended to help students attend summer school in addition to fall and spring semesters. Currently a student may only receive one Pell Grant in an academic year. Effective July 1, 2009 (Section 401(b)).
- Modular and Compressed Programs. Pilots providing financial aid to students enrolled in for-credit, compressed, or modularized programs at degree-granting institutions. Nontraditional students, such as working adults, frequently find it difficult to attend college on a traditional schedule because of competing demands of work and family. Many postsecondary institutions are responding to these students' needs by breaking longer college programs into shorter modules or compressing longer programs into shorter, more intensive formats that can be completed as students have time. However, students in such modules or compressed programs are sometimes then ineligible for financial aid because of the shorter program length. In these pilots, students could receive federal aid if the program offers at least 300 clock hours of instruction, eight semester hours, or 12 quarter hours, offered during a minimum of 10 weeks, and the program is articulated with other, longer certificate or degree programs (Section 494).
- Dislocated Workers. Provides that financial aid administrators shall consider the dislocated worker status of a student or a dependent student's parents in deciding whether to use their discretion to adjust the Expected Family Contribution to reflect a lower level of earnings, thus qualifying the student for more financial aid. Federal financial aid eligibility is normally calculated using the previous year's income. This is problematic for individuals whose income has changed substantially in the current year, such as students or their parents who have lost their jobs. The law also adds dependent care and nursing home expenses to the list of circumstances for which financial aid administrators may make adjustments in Expected Family Contribution (Section 472(a)).
- Ability to Benefit. Allows students without a high school diploma or GED to qualify for federal financial aid by successfully completing six credits with a C average or better, as an alternative to the existing "ability to benefit" test approach. Currently students without a high school diploma or GED can only qualify for federal financial aid if they pass an "ability to benefit" test. Yet experimental pilots conducted by the Department of Education show that students without high school diplomas or GEDs who were allowed to receive financial aid through an alternative process of successfully completing six

credits (rather than by passing an “ability to benefit” test) went on to complete more credits than students who had passed an “ability to benefit” test and have higher grades than other financial aid recipients with high school diplomas (Section 485(a)).

- Foster care youth. Corrects the independent student definition change enacted in the College Cost Reduction and Access Act of 2007 (CCRAA) to clarify that the definition covers youth who age out of foster care and youth who are adopted or move into the legal care of a guardian from foster care after reaching age 13. The CCRAA included a provision to allow students who are orphans, in foster care, or wards of the court; or who were orphans, in foster care, or wards of the court any time after the age of 13 to be considered independent students. But it should have also included in the independent student definition individuals who were orphans, in foster care, or wards of the court when they were 13 years of age or older, but who are no longer orphans in foster care or wards of the court when applying for college. Effective July 1, 2010 (Section 473(c)).
- Drug convictions. Permits a student who has lost federal financial aid eligibility due to a drug conviction to retain eligibility for aid if the student successfully passes two random drug tests. Under current law, students lose their eligibility for federal student financial aid if they were convicted for the sale or possession of drugs while receiving such aid. The law does not affect the eligibility of students who may have been arrested prior to the start of their first year of college, or who were arrested during any period where they were not receiving federal student aid. Effective July 1, 2010 (Section 485(a)).
- Semester Limit on Pell Grants. Caps the amount of time a student can receive a Pell Grant to 18 semesters, prorated for attendance status. (For example, a student attending half-time would be eligible to receive a Pell Grant for up to 36 semesters.) One potential problem with this cap is that basic skills, remedial or developmental, and English language classes are not exempted from it, which could reduce eligibility for underprepared students as such courses can add significantly to their completion time. This cap applies to all students who receive their first Pell Grant after July 1, 2008 (Section 401(c)).

#### Programs to Increase Access and Success for Nontraditional Students

- Pilots Student Success Grants to help at-risk students stay in college and complete courses, especially during their first year. Too many students fail to complete college. For example, six years after enrolling in two-year public colleges, nearly half (44 percent) of Pell Grant recipients do not have a credential and are no longer enrolled. In this pilot, every student who receives a Pell Grant would also receive a \$1,500 Student Success Grant that would offset the costs to the college of providing the kinds of program innovation and student services that research suggests will help that student stay in and complete college. Such services include intensive advising and counseling, college and career success courses, work study jobs with private employers in the students’ field of study, learning communities, curricular redesign to support blended or accelerated remediation, tutoring, and child care and transportation assistance. The pilot is targeted

at first-year students needing remedial or developmental coursework in reading, writing, or math at postsecondary institutions with at least 50 percent of such students (Section 820).

- Pilots Performance-Based Scholarships of \$1,000 per semester to students who are low-income parents who attend college at least half time and earn more than a 2.0 grade point average. The goal of the pilot program is to increase financial support for low-income students and create an incentive for students to persist and complete. The pilot is based on a successful demonstration project at community colleges in Louisiana. The evaluation found that students receiving such scholarships were more likely to enroll in college full time, have higher rates of semester-to-semester retention, and pass more courses and earn more college credits than those students who did not receive the scholarships. Students participating in the pilot will also receive counseling services. The pilot is targeted toward institutions that provide one- to two-year programs of study leading to a degree or certificate (Section 820).
- Creates Business Workforce Partnerships for Job Skill Training in High Growth Occupations or Industries. Colleges often lack the “venture capital” to start up new, credit-bearing programs that can respond to business workforce needs because state funding and federal financial aid typically only flow after students are enrolled in programs. This grant program funds partnerships of colleges, employers, and, where applicable, labor representatives to expand or create credit-bearing college programs responsive to business workforce needs, adapt college offerings to workers’ schedules, expand worksite learning opportunities, and purchase equipment related to such academic or job training programs. The grants are targeted toward programs serving nontraditional students, such as working adults, and can be used to create for-credit career pathways (Section 803).
- Provides Bridges from Jobs to Careers grants to colleges to increase access to and completion of occupational certificates and degree programs for lower-skilled workers through “bridge” programs and other innovations in remedial education. More than 60 percent of young community college students need to improve reading, writing, or math skills before they can do college-level work; yet far too few complete these remedial (developmental) courses. These grants will help colleges create “bridge” programs that customize basic skills and English language curricula to specific occupational programs, an approach that can increase persistence and completion. The grants will also enable colleges to innovate in other ways, such as by accelerating basic skills coursework, by blending basic skills with college-level curricula and instruction, by providing intensive counseling and advising, and by improving the quality of teaching in these types of courses. The pilot will prioritize applications from institutions with at least 50 percent of students needing remedial or developmental coursework in reading, writing, or math (Section 851).

## Other Student Supports

- Increases the minimum grants amounts for each TRIO program, including Student Support Services, to \$200,000, and the authorization levels. In addition, “individualized counseling for personal, career, and academic matters provided by assigned counselors,” is added as a permissible activity to Student Support Services (Section 403(a) and (d)).
- Requires that all TRIO grantees identify services specifically for youth in foster care and add housing services for students who are (or were) homeless and students who are in, or aging out of, foster care (Section 403(a)).
- Expands funding for CCAMPIS (Child Care Access Means Parents in School) to increase availability of on-campus child care for students who are parents. The bill increases grants from \$10,000 to \$30,000 if appropriations for the program equal or exceed \$20 million in the fiscal year. In addition, the threshold for institutional eligibility can be lowered if the same appropriations criteria are met; decreasing from \$350,000 to \$250,000 the total amount of Pell Grants awarded at the institution in order to qualify for the program (Section 410).

Several members of the House and Senate led efforts to expand aid to nontraditional students and to invest in innovation critical for student access and success. In particular, a number of the key proposals described above were advanced by Senators Hillary Clinton and Jack Reed, Congressmen Jason Altmire, Phil Hare, Rush Holt, Dave Loebsack, John Yarmuth, and Congresswoman Lynn Woolsey. The progress made in the Higher Education Opportunity Act on behalf of nontraditional students, such as dislocated workers and low-wage workers, would not have happened without their strong leadership and commitment to these students. Senators Michael Enzi and Edward Kennedy, and Congressman George Miller also lent their support to providing more aid for working adults and other nontraditional students and for business workforce needs.

CLASP worked closely with these Congressional offices, building on work we began in 2003 to raise awareness of the issues in the Higher Education Act affecting low-income, nontraditional students by offering detailed recommendations for updating HEA to meet their needs. Many of our recommendations were included in higher education laws enacted in 2005 and 2007, the Deficit Reduction Act and the College Cost Reduction and Access Act, respectively, as well as in this most recent Act. See: CLASP’s HEA recommendations to the House Education and Labor Committee, available at: [http://www.clasp.org/publications/hea\\_recs\\_0407.pdf](http://www.clasp.org/publications/hea_recs_0407.pdf); *Congress Expands Access to Postsecondary Education and Training for Low-Income Adults*, available at: [http://www.clasp.org/publications/student\\_aid\\_9.07.pdf](http://www.clasp.org/publications/student_aid_9.07.pdf) and *New Student Aid Changes Help Nontraditional Students*, available at: [http://www.clasp.org/publications/dra\\_studentaid.pdf](http://www.clasp.org/publications/dra_studentaid.pdf).

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