

## **New Ability-to-Benefit (ATB) Requirements**

On May 22, 2015 the Department released what may be the most anticipated DCL for 2015 – GEN-15-09 (the new ATB rules and requirements).

The Consolidated and Further Continuing Appropriations Act of 2015 (Pub. L. 113-235) was enacted on December 16, 2014 allowing a student who does not have a high school diploma (or its recognized equivalent), or who did not complete a secondary school education in a homeschool setting, to be eligible for Title IV, HEA student assistance (Title IV aid) through ATB alternatives, but only if the student is enrolled in an “eligible career pathway program” as defined in section 484(d)(2) of the HEA.

The ATB alternatives include: passing an independently administered Department of Education approved ATB test; completing at least 6 credit hours or 225 clock hours that are applicable toward a degree or certificate offered by the postsecondary institution; or completing a State process approved by the Secretary of Education (*currently no State process has ever been submitted for the Secretary’s approval*). Currently, the approved ATB tests are ASSET, COMPASS, COMPASS ESL, CELSA, ACCUPLACER and Wonderlic Basic Skills Test.

A career pathway program combines 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 programs and the labor market.

An eligible career pathway program (as defined in section 484(d)(2) of the HEA) must:

- Concurrently enroll students in connected adult education and eligible postsecondary programs;
- Provide students with counseling and supportive services to identify and attain academic and career goals;
- Provide structured course sequences that—
  - o Are articulated and contextualized; and
  - o Allow students to advance to higher levels of education and employment;
- Provide opportunities for acceleration for students to attain recognized postsecondary credentials, including degrees, industry relevant certifications, and certificates of completion of apprenticeship programs;
- Be organized to meet the needs of adults;
- Be aligned with the education and skill needs of the regional economy; and
- Have been developed and implemented in collaboration with partners in business, workforce development, and economic development.

As stated above, an eligible career pathway program contains two components: an adult education component and a Title IV eligible postsecondary program component. In this context, “adult education” has the same definition as it does under the Adult Education and Family Literacy Act, Title II of the

Workforce Innovation and Opportunity Act (Pub. L. 113-128) and includes academic instruction and education services below the postsecondary level that increase an individual's ability to:

- Read, write, and speak in English and perform mathematics or other activities necessary for the attainment of a secondary school diploma or its recognized equivalent;
- Transition to postsecondary education and training; and
- Obtain employment.

What is important to remember is that a career pathway program is a program designed to assist adult students without a high school diploma transition to postsecondary learning with the goal of becoming employable within a certain career. Since an eligible career pathway program is not itself an eligible Title IV program under 34 CFR 668.8 because it contains an adult education component that includes, by definition, coursework that is below the postsecondary level, schools are prohibited from including the adult education component costs in the student's COA and cannot include the adult education coursework in the student's Title IV enrollment status.

Though a school can develop an eligible career pathway program that meets all of the criteria outlined in GEN-15-09, I believe that most schools currently have very few, if any, eligible career pathway programs.

For those schools with eligible career pathway programs, please remember that this change in the law was effective July 1, 2014. Therefore, any student enrolled in an eligible career pathway program as of July 1, 2014, and who met one of the ATB alternatives prior to July 1, 2014, may be awarded a Federal Pell Grant, TEACH Grant, and any aid from the Title IV campus-based programs beginning with the first payment period of the 2014–2015 award year in which the student was enrolled. A Direct Loan can be awarded for the entire loan period that includes July 1, 2014.

For any student who was enrolled in an eligible career pathway program as of July 1, 2014, and who meets one of the ATB alternatives on or after July 1, 2014, may be awarded a Federal Pell Grant, TEACH Grant, and any aid from the Title IV campus-based programs beginning with the payment period in which the student meets the ATB alternative. A Direct Loan can be awarded for the entire loan period that includes the date when the student meets the ATB alternative.

One last very important change to point out regarding the new ATB alternatives is that any student whose first enrollment in any Title IV eligible postsecondary program was on or after July 1, 2015, and is eligible under one of the ATB alternatives for enrollment in an eligible career pathway program, will only be eligible for a Limited Pell Grant award. GEN-15-09 contains an attachment with a Career Pathway Alternative Pell Grant Disbursement Schedule to determine the amount for which the student is eligible. The maximum Limited Pell Grant amount that such a student may receive for enrollment in an eligible career pathway program for the 2015–2016 award year is \$4,860. However, keep in mind that the calculation of the percentage of the student's annual Scheduled Award used will be based on the student's full Scheduled Award under the Regular Federal Pell Grant Payment Schedule.

Eligible students whose first enrollment in any Title IV eligible postsecondary program was before July 1, 2015, and who are enrolled in an eligible career pathway program in or subsequent to the 2015–2016 award year, will be eligible for a Regular Pell Grant award.

Therefore, whenever an institution has a student enroll in an eligible career pathway program on or after July 1, 2015, institutions will now have to develop a policy to determine whether the student should receive a Regular Pell Grant award or a Limited Pell Grant award based on when the student began attendance in any Title IV eligible postsecondary program, without regard to whether the student received Title IV aid (all determinations must be documented).

For more information, including examples and a Pell eligibility chart, please see GEN-15-09 – <http://ifap.ed.gov/dpccletters/GEN1509.html>.