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February 13, 2012

MEMORANDUM

TO: The Florida College System Presidents
School District Technical Center Directors

FROM: Randy Hanna, Chancellor, The Florida College System ^{RH}
Kathleen Taylor, Interim Chancellor, Division of Career and Adult Education ^{KT}

SUBJECT: Elimination of the Ability to Benefit (ATB) Provision in the Consolidated Appropriations Act, 2012

On December 23, 2011, President Obama signed into law the Consolidated Appropriations Act, 2012, which made changes to Title IV student aid programs. Public Law 112-74 amended section 484(d) of the Higher Education Act of 2008 to eliminate Ability to Benefit (ATB) Federal student aid eligibility provisions.

Currently, students who do not have a high school diploma or its equivalent (e.g. GED[®]) may be eligible for assistance under Title IV if they demonstrate the *ability to benefit* from the educational opportunity. In the past, students could demonstrate the ability to benefit by completing six credit hours or 225 clock hours of postsecondary education or by passing an approved ATB test.

Under the new provision, students who first enroll in a career and technical certificate (including those who do not require a standard high school diploma or its equivalent for entry) or degree program without a high school diploma or its equivalent beginning on or after July 1, 2012, will be ineligible for Title IV funds. Students who were enrolled in a Title IV eligible program under ATB provisions before July 1, 2012, will continue to qualify for Title IV student aid.

Section (s.) 1003.433, Florida Statutes (F.S.), provides students without a standard high school diploma or its equivalent an opportunity to gain access to an associate degree at a FCS institution by achieving a minimum passing score on an approved college placement test. In 2009-10, there were 660 First-Time-in-College students admitted to The Florida College System (FCS) that were reported as earning a CPT-Eligible Certificate of Completion (high school withdrawal code W8A). Even though a relatively low number of students graduating high school with the W8A enroll in The Florida College System, those students will be negatively impacted by the change. The Division of Career and Adult Education does not collect information on the high school diploma status of students enrolled in school district postsecondary programs; however, this change is expected to have a significant impact on the financial aid eligibility of school district technical center students.

The omnibus spending bill will have no impact on the ability for colleges to admit students to a degree program upon receipt of a CPT-Eligible Certificate of Completion. However, students will no longer qualify for and obtain federal financial aid. Similarly, this bill will have no impact on the ability of technical centers to enroll students without a standard high school diploma or its equivalent in certificate programs; but those students will not be eligible for federal aid.

Applicants for need-based state aid will also be impacted by the elimination of the ATB provision. Students applying for the Florida Public Student Assistance Grant and the Florida Public Postsecondary Career Education Student Assistance Grant are required to apply for Pell by submitting a Free Application for Federal Student Aid, per ss. 1009.50 (2)(b) and 1009.505 (3)(b), F.S., respectively. Additionally, students who demonstrate need by qualifying and receiving federal Pell Grant funds are given priority for the Florida Work Experience Program, per s. 1009.77(8)(c), F.S.

The U.S. Department of Education is presently developing guidance on the grandfathering of students enrolled in eligible programs of study prior to July 1, 2012, who are not yet Pell eligible or who “stop out” of their program and later return. Institutions may contact the U.S. Department of Education’s Office of Postsecondary Education or the Office of Vocational and Adult Education to comment on grandfathering.

The elimination of ATB will present challenges for students without a standard high school diploma or its equivalent seeking to enroll in certificate and degree programs at school district technical centers and FCS institutions. Each institution should take the necessary steps to ensure websites, catalogs, and other communications are updated to keep prospective and current students aware of the changes.

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Questions may be directed to Carrie Henderson at carrie.henderson@fldoe.org or (850) 245-9464 in the Division of Florida Colleges or Amy Albee at amy.albee@fldoe.org or (850) 245-9055 in the Division of Career and Adult Education.

RH/KT/yh

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