



# National Association of State Directors of Adult Education

## ABILITY TO BENEFIT

### ISSUE BRIEF

**Why Care? The Ability to Benefit option opens doors to financial aid.** Community and technical colleges are known as “Democracy’s colleges” – for a good reason. They give everybody the opportunity to earn a college certificate or degree, land a well-paying job, and move up economically, regardless of their past academic background. For thousands of Adult Education, low-income students across the nation who do not have a high school credential, the Ability to Benefit (ATB) provision of federal financial aid is the key to that opportunity.

**Ability to Benefit** (ATB) allows a student without a high school diploma or equivalency to receive Title IV student federal financial aid to pay for postsecondary education and training if they are enrolled in a Title IV eligible career pathway program that includes a contextualized adult education component and navigation support.

**Three Options:** To receive aid the student must apply for financial aid (FAFSA) and be Title IV eligible except for having earned a secondary credential. They must also prove ability to benefit by:

- Completing 6 college-level credits (or equivalent) applicable toward a postsecondary certificate or degree; **or**
- Passing a Department of Education approved exam  
<https://ifap.ed.gov/eannouncements/062415ATBTests.html>; **or**
- Completing a state process approved by the Secretary of Education. This option of the law permits students to demonstrate ability to benefit from federal student aid “in accordance with such process as the State shall prescribe.”

#### Tips from the Field

- Construct pathways to enable students to earn a high school credential; however, a high school credential does not have to be completed in order for a student to earn a postsecondary certificate or degree.
- Review financial aid websites and marketing materials to ensure ATB is equitably represented.
- Include information on Ability to Benefit in all adult education orientations and marketing initiatives.
- Clarify who in the agency is responsible for documenting that an ATB pathway is an eligible career pathway and determining what documentation is required.
- Include both instruction and student services in ATB implementation.
- Work with your state legislature and agencies to align state financial aid requirements with the federal ATB options.

#### Questions to Ask

- Does our agency’s website and outreach strategies include equitable information on Ability to Benefit?
- Have we made accessible a common definition of “contextualized education”?
- Does our financial aid office provide equitable access and guidance on Ability to Benefit?
- Are there legal ramifications of not providing equitable access to federal financial aid to students without a high school credential?
- How will the student pay for the first six credits if the credit option is used?
- Could a state-defined process provide an alternative to eligibility that bypasses the six credits or testing requirement?
- How will students be supported along their pathway? Who will track outcomes for students on ATB?

## Resources:

- Federal Student Aid Dear Colleague Letter GEN-16-09: <https://ifap.ed.gov/dpcletters/GEN1609.html>
- Center for Law and Social Policy (CLASP), Resources on Ability to Benefit: <https://www.clasp.org/resources-ability-benefit>
- National Association of Student Financial Aid Administrators, *December Spending Agreement Affects Ability-to-Benefit Determinations*: [https://www.nasfaa.org/news-item/7399/December\\_Spending\\_Agreement\\_Affects\\_Ability-to-Benefit\\_Determinations](https://www.nasfaa.org/news-item/7399/December_Spending_Agreement_Affects_Ability-to-Benefit_Determinations)
- Washington State Board for Community and Technical Colleges: <https://www.sbctc.edu/colleges-staff/programs-services/student-services/ability-to-benefit.aspx>
- Career Pathway Definition, Workforce Innovation and Opportunity Act, Section 3 (definition 7): <https://www.govinfo.gov/content/pkg/PLAW-113publ128/pdf/PLAW-113publ128.pdf>  
*CAREER PATHWAY.—The term “career pathway” means a combination of rigorous and high-quality education, training, and other services that—*  
*(A) aligns with the skill needs of industries in the economy of the State or regional economy involved;*  
*(B) prepares an individual to be successful in any of a full range of secondary or postsecondary education options, including apprenticeships registered under the Act of August 16, 1937 (commonly known as the “National Apprenticeship Act”; 50 Stat. 664, chapter 663; 29 U.S.C. 50 et seq.) (referred to individually in this Act as an “apprenticeship”, except in section 171);*  
*(C) includes counseling to support an individual in achieving the individual’s education and career goals;*  
*(D) includes, as appropriate, education offered concurrently with and in the same context as workforce preparation activities and training for a specific occupation or occupational cluster;*  
*(E) organizes education, training, and other services to meet the particular needs of an individual in a manner that accelerates the educational and career advancement of the individual to the extent practicable;*  
*(F) enables an individual to attain a secondary school diploma or its recognized equivalent, and at least 1 recognized postsecondary credential; and*  
*(G) helps an individual enter or advance within a specific occupation or occupational*