

---

## Possible Use of the 'Ability to Benefit' Test to Determine Cal Grant Eligibility for Students Admitted Through an Early Admissions Process

---

### Issue

Students must have graduated from a California high school or its equivalent in order to receive a Cal Grant A and B Entitlement award or a CCC Transfer Entitlement award. Competitive A, B and C awards do not have a high school graduation requirement. Therefore, students who are admitted to college through an early admissions process and have not graduated are not eligible for an Entitlement Cal Grant award and must compete for the limited number of Competitive Cal Grant awards available each year.

### Background and Methodology

California Education Code states that to be eligible for an Entitlement award that a student has graduated from high school or its equivalent during or after the 2000-01 academic year. For purposes of the Cal Grant Program the only equivalent is the GED test. The date the GED test was taken is used in place of a high school graduation date and the test score is converted to a GPA in order to determine Entitlement eligibility. The GED test is limited to students over 18 or within 6 months of their 18<sup>th</sup> birthday. Students who are admitted early are typically below the age of 18 and therefore cannot take the GED test.

Federal laws require a student to have a high school diploma or its equivalent *or pass an ability-to-benefit exam* in order to qualify for financial aid. The allowable exams and passing scores are federally regulated and widely used (primarily in the community colleges and the proprietary schools) to determine a student's eligibility for grant, work and loan benefits.

### Status

A information regarding relevant California Education Code, federal requirements for high school graduation, the GED test, and the 'Ability to Benefit' test are included for your review.

This information is provided in order to facilitate a discussion on the possible use of the 'Ability to Benefit' test to determine Entitlement Cal Grant eligibility for students admitted through an early admissions process.

## Relevant Education Code & Regulations

### Cal Grant A Entitlement: **EDUCATION CODE SECTION 69434**

69434. (a) Commencing with the 2001-02 academic year, and each academic year thereafter, a Cal Grant A award shall be used only for tuition or student fees, or both, in a for-credit instructional program with a length of not less than two academic years. Each student who meets the Cal Grant A qualifications as set forth in this article shall be guaranteed an award. The amount of any individual award is dependent on the cost of tuition or fees, or both, at the qualifying institution at which the student is enrolled. For each applicant, the award amount shall not exceed the amount of the calculated financial need.

(b) Pursuant to Section 66021.2, any California resident is entitled to a Cal Grant A award, and the commission shall allocate that award, if all of the following criteria are met:

(1) The student has submitted, pursuant to Section 69432.9, a complete financial aid application, submitted or postmarked no later than March 2 of the academic year of high school graduation or its equivalent for the award year immediately following the academic year of high school graduation or its equivalent, or no later than March 2 of the academic year following high school graduation or its equivalent for the second award year following the year of high school graduation or its equivalent.

...

(8) The student graduated from high school or its equivalent during or after the 2000-01 academic year.

### Cal Grant B Entitlement: **EDUCATION CODE SECTION 69435.3**

69435.3. (a) Any California resident is entitled to receive a Cal Grant B award, and the commission shall allocate that award pursuant to Section 66021.2, if all of the following criteria are met:

(1) The student has submitted, pursuant to Section 69432.9, a complete financial aid application, submitted or postmarked no later than March 2 of the academic year of high school graduation or its equivalent for the award year immediately following the academic year of high school graduation or its equivalent, or no later than March 2 of the academic year following high school graduation or its equivalent for the second award year following the year of high school graduation or its equivalent.

...

(8) The student graduated from high school or its equivalent during or after the 2000-01 academic year.

### High School Equivalency Certificates: **EDUCATION CODE SECTION 51420**

51420. The Superintendent of Public Instruction shall issue a California high school equivalency certificate and an official score report, or an official score report only, to any person who has not completed high school and who meets the following requirements:

(a) Is a resident of this state or is a member of the armed services assigned to duty in this state.

(b) Has taken all or a portion of a general educational development test which has been approved by the State Board of Education and which is administered by a testing center approved by the Department of Education, with a score determined by the State Board of Education to be equal to the standard of performance expected from high school graduates.

(c) Is at least 18 years of age or who would have graduated from high school had he remained in school and followed the usual course of study toward graduation.

## **Federal Requirements for High School Graduation for Purposes of Federal Aid**

### **Academic Requirements**

To receive FSA funds, a student must be qualified to study at the postsecondary level. A student qualifies if s/he:

- has a high school diploma;
- has the recognized equivalent of a high school diploma, typically a general education development or GED certificate;
- has completed home schooling; or
- has passed a Department-approved ability-to-benefit test.

*HEA Sec. 484(d)(1), 34 CFR 668.32(e)*

### **What's a valid high school diploma?**

To find out if the diploma is valid, schools should contact the department of education for the state in which the school is located. They can tell if a diploma from the high school is recognized by their state (the school need not be accredited for its diplomas to be recognized by the state).

### **Equivalents to a high school diploma**

The Department recognizes several equivalents to a high school diploma:

- A GED;
- A certificate demonstrating that the student has passed a state authorized examination that the state recognizes as the equivalent of a high school diploma;
- An academic transcript of a student who has successfully completed at least a two-year program that is acceptable for full credit toward a bachelor's degree; or
- For a student who enrolls before completing high school, a high school transcript indicating the student has excelled in high school. The student must no longer be enrolled in high school, must satisfy the postsecondary school's written policy for admitting such students, and must be starting a program that leads at least to an associate's degree or its equivalent.

*34 CFR 600.2*

### **Home schooling**

Though home-schooled students are not considered to have a high school diploma or equivalent, they are eligible to receive FSA funds if their secondary school education was in a home school that state law treats as a home or private school. Some states issue a secondary school completion credential to home-schoolers. If this is the case in the state where the student was home-schooled, the student must obtain this credential in order to be eligible for FSA funds.

The self-certification that the student was home-schooled can include that s/he received this state credential. Some students finish home schooling at an age younger than the age of compulsory school attendance for their state or your school's state. Another part of the federal law defines an eligible *institution* as one that admits as regular students only persons who have a high school diploma or equivalent or are beyond the compulsory attendance age for the school's state. The Department considers a home-schooled student to be beyond the age of compulsory attendance if your school's state would not require the student to further attend secondary school or continue to be homeschooled.

### **Diploma equivalent example**

Kitty enrolls in the bachelor's degree program at Brandt College. She didn't graduate from high school and doesn't have a GED. Brandt looks at her high school records to see if she excelled academically in high school. Because she had a C average, Brandt decides she didn't excel academically and so doesn't have the equivalent of a high school diploma. If she were enrolled in a two-year program that counted as two years of her bachelor's degree, she'd have the equivalent of a high school diploma when she completed that program, and would be eligible for FSA for the last two years of her degree program. However, since Kitty never went to college before, she'll need to pass an approved ability-to-benefit test if she wants to receive FSA.

### **Ability-To-Benefit (ATB) test**

If the student doesn't have a high school diploma or equivalent and was not home-schooled, the student can still qualify for federal aid by passing a Department-approved "ability-to-benefit" test.

### *34 CFR Part 668 Subpart J (Sections 141-156)*

---

#### **TITLE 34—EDUCATION Sec. 668.141 Scope.**

Source: 60 FR 61838, Dec. 1, 1995, unless otherwise noted.

(a) This subpart sets forth the provisions under which a student who has neither a high school diploma nor its recognized equivalent may become eligible to receive Title IV, HEA program funds by—

(1) Achieving a passing score, specified by the Secretary, on an independently administered test approved by the Secretary under this subpart; or

(2) Being enrolled in an eligible institution that participates in a State process approved by the Secretary under this subpart.

(b) Under this subpart, the Secretary sets forth--

(1) The procedures and criteria the Secretary uses to approve tests;

(2) The basis on which the Secretary specifies a passing score on each approved test;

(3) The procedures and conditions under which the Secretary determines that an approved test is independently administered; and

(4) The procedures and conditions under which the Secretary determines that a State process demonstrates that students in the process have the ability to benefit from the education and training being offered to them.

## Am I eligible to take the GED test?

Eligibility to take the GED test.

You are eligible to take the GED test if you are a resident of California and meet any one of the following criteria:

The individual is 18 years of age or older, or within 60 days of his or her 18th birthday (regardless of school enrollment status).

The individual must be within 60 days of when he or she would have graduated from high school had he or she remained in school and followed the usual course of study (please note that examinees testing under this criteria may not be enrolled in school).

The individual is 17 years of age, has been out of school for at least 60 consecutive school days, and provides a letter of request for the test from the military, a post-secondary educational institution or a prospective employer.

The individual is 17 years of age and is incarcerated in a California state or county correctional facility; persons testing under these conditions must meet all of the following criteria:

The examinee does not have a realistic chance of completing the requirements for a high school diploma.

The examinee has adequate academic skills to successfully complete the GED test battery.

The examinee understands the options available regarding acquisition of a high school diploma, the high school equivalency certificate or the high school proficiency certificate, and the requirements, expectations, benefits, and limitations of each option.

The examinee has sufficient commitment time left to complete the entire GED test battery; however, if released before the test is completed, the examinee may complete testing at an authorized testing center.

Persons who pass the GED test at age 17 will not receive the equivalency certificate until their 18th birthday; a letter of intent is issued which states that the certificate is being held pending the examinee's 18th birthday.

Questions: GED Office | [GEDoffic@cde.ca.gov](mailto:GEDoffic@cde.ca.gov)

## Ability to Benefit (ATB)

A federal student aid eligibility criteria for postsecondary students who:

- (a) do not have a high school diploma or its recognized equivalent and
- (b) are beyond the age of compulsory school attendance in the state where the institution is located.

To be eligible to receive federal student aid, the law requires these persons to show that they have the ability to benefit from postsecondary education. To demonstrate this they must pass an independently administered test approved by the U.S. Secretary of Education.