



INDIANA COMMISSION  
for  
HIGHER EDUCATION

**TO:** Financial Aid Directors; High School Guidance Counselors

**FROM:** Mary Jane Michalak, Associate Commissioner *mmj*

**RE:** Financial Aid Eligibility for Students with Diploma Waivers (HEA 1005-2013)

**DATE:** November 24, 2014

During the 2013 legislative session, the General Assembly passed HEA 1005-2013, a bill with a focus on early identification of students' remediation needs. It requires the administration of a college and career readiness examination by high schools to students who might need remediation. It also contains provisions limiting eligibility for state student financial aid in college for a small number of students. The purpose of this memo is to clarify the circumstances under which students are or are not eligible for state financial aid programs.

IC 20-32-9 required the development of guidelines to assist secondary schools in identifying students who are likely to require remedial work at postsecondary institutions or workforce training programs after graduation from high school. The Indiana Department of Education (IDOE) worked in collaboration with the Indiana Commission for Higher Education (ICHE), Indiana Department of Workforce Development (IDWD), and Indiana Education Roundtable (ERT) to develop guidelines regarding who to test, when to test, and how to test students. These guidelines were approved by the State Board of Education (SBOE), and should have been distributed to high schools during the 2013-14 school year. Revised guidance was adopted at the October 2014 SBOE meeting, and should be forthcoming for the 2014-15 school year.

IC 21-18.5-4-8.5 stipulates that students who graduate in 2015 or after and who receive general diplomas with evidenced-based waivers are disqualified from receiving "state scholarships, grants, or assistance administered by the commission unless the student passes a college and career readiness exam." The law makes no distinction about when the college and career readiness exam must be passed. If a student fails the test the first time it is administered, but after receiving additional support is retested and passes, that student will be eligible for state financial aid consideration. For the purpose of this memo, "affected student" refers to a student who received a general diploma with an evidence-based waiver and has never passed the college and career readiness exam.

The availability of financial aid for affected students also depends upon the type of postsecondary courses taken. IC 21-18.5-4-8.5(e) says clearly that an affected student "is

not disqualified from receiving state scholarships, grants, or assistance administered by the commission for credit bearing degree seeking courses.”

The Commission interprets this to mean that students who graduate with a general diploma with evidenced-based waiver **are eligible for state financial aid awards if they are enrolled in credit-bearing courses, including co-requisite remediation courses.** If an affected student is taking stand-alone remedial courses, this student is ineligible for state student financial aid awards for those courses.

If an affected student is taking a mix of courses (some credit-bearing, some stand-alone remediation), state financial aid dollars may only be used to pay for tuition and fees associated with the credit-bearing and co-requisite remediation courses.

Co-requisite courses are generally considered to be those courses that either:

1. Require a student to enroll in both a remedial course (in math, reading, or writing) and a companion credit-bearing course (in math or English) during the same semester; or
2. Require a student to enroll in a credit-bearing course (in math or English) and provide supplemental instruction or other interventions specifically for students who have remedial needs.

For co-requisite remedial programs that require co-enrollment in two or more distinct courses, each of those courses is considered to be part of the co-requisite regardless of the credits associated. Affected students who receive awards are permitted to use financial aid to pay tuition and fees for each course associated with the co-requisite program.

#### **Example 1:**

John **did not pass** the Accuplacer exam, which was the college and career readiness exam administered by his high school either of the two times he took it. John graduated in 2015 with a general diploma with evidenced-based waiver. In fall 2015, John begins college and takes 12 credit hours. Of those hours:

- 3 hours are in a basic remedial class
- 6 hours are in a remedial class with a co-requisite
- 3 hours are in a credit-bearing class

John is an affected student. John is not eligible for financial aid for the 3 hour basic remedial class. However, John is eligible for financial aid for the other 9 credit hours in which he is enrolled.

Another way to look at this is as follows:

- 3 hours are in a basic remedial class – ineligible for aid
- 6 hours are in a remedial class with a co-requisite – eligible for aid
- 3 hours are in a credit-bearing class – eligible for aid

**Example 2:**

Jenny **initially failed** the Accuplacer exam, which was the college and career readiness exam administered by his high school, but **retook the exam in her senior year and passed.** Jenny graduated in 2015 with a general diploma with evidenced-based waiver. In fall 2015, Jenny begins college and takes 12 credit hours. Of those hours:

- 3 hours are in a basic remedial class
- 6 hours are in a remedial class with a co-requisite
- 3 hours are in a credit-bearing class

Jenny is not an affected student and is therefore eligible to receive financial aid for all 12 credit hours.

The Commission will not be collecting high school diploma information from high school guidance counselors beyond what it is already collecting for Academic Honors/ Technical Honors diplomas. Additionally, the Commission will not require schools to report remedial class information for purposes of reconciling financial aid awards for students in this category. It is incumbent upon the institution, as stated in the program participation agreements, to confirm the student is eligible for an award prior to reconciliation. Institutions are expected to confirm whether students with evidence-based waivers have passed the college and career readiness exam and to adjust the award amounts for affected students if they enroll in stand-alone remedial coursework.

If you have questions regarding state financial aid, please contact one of the Commission's financial aid advisors at 888-528-4719 or [CollegeFA@che.in.gov](mailto:CollegeFA@che.in.gov) for more information or Amanda Culhan at the Indiana Department of Education at (317) 232-0510 or [aculhan@doe.in.gov](mailto:aculhan@doe.in.gov).