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SATISFACTORY ACADEMIC PROGRESS: MAKING FINANCIAL AID WORK FOR TODAY'S STUDENTS

More than 39 million adults in the United States have some postsecondary academic credit, but no credential and are not currently enrolled in higher education. Students leave higher education for many reasons; however, challenges in balancing school and work demands, changes in financial status, and difficulties paying for school are often at the top of the list.[1] Despite this, in a recent survey of over 40,000 non-completers, only 19% reported that they are no longer interested or don't need to complete their education.[2]

As states and institutions seek innovative ways to reconnect these individuals to higher learning, the federal government can eliminate hurdles in front of returning students who simply want to re-enroll and gain credentials that lead to good-paying jobs. One such barrier that stands in the way is the federal satisfactory academic progress (SAP) policy. Federal law and regulations require institutions to establish criteria students must meet to remain eligible for financial aid, including Pell Grants, federal student loans, and the Federal Work-Study program. Although institutions of higher learning are responsible for setting SAP requirements, federal law provides minimum SAP standards for schools to use:

> Students must maintain a cumulative grade point average (GPA) of 2.0 or higher by the end of the second academic year for those in baccalaureate programs, and at the end of each payment period for programs less than one year. Students must also complete a minimum number of credits or courses that cannot exceed 150% of the published length of the undergraduate program in credits.[4]

Who are the 39 million?

The 39 million adults with some credit and no credential (SCNC) are a diverse group of Americans, representing today's students demographics. The majority of this population stopped out before age 35 as students enrolled at two-year institutions. Black, Hispanic, and Native American students collectively make up 44.2% of the SCNC population, and more than half (51%) are women.[3]

If a student fails to meet the GPA requirement, it can be tough to regain their eligibility for federal financial aid. When a student re-enrolls after dropping out or being academically suspended, the institution doesn't reset a student's GPA for SAP purposes. Losing access to critical financial aid due to not meeting SAP requirements can prevent students from staying in school, especially the 6.7 million Pell Grant recipients who rely on this aid to access higher learning and returning adults seeking a competitive advantage in the labor market.[5]

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HOW DO STUDENTS GET "SAP-ED OUT"?

If a student doesn't demonstrate SAP, or is "SAP-ed out," they immediately lose access to their federal financial aid with an opportunity to appeal to their institution under a narrow set of circumstances, including:

- The death of a relative;
- An injury or illness of the student; or
- A special circumstance as determined by the institution.

The Looming Impact of Falling Short of SAP

Owen, 32, is a returning adult student seeking to finish his education to become a physical therapist assistant at a local community college in Louisiana. A decade ago, Owen fell short of maintaining SAP due to life circumstances out of his control and lost access to his Pell Grant and federal student loans. After failing his SAP appeal, Owen now needs to pay for two, three-credit courses to raise his GPA and regain eligibility for federal financial aid. He will need to pay $758 out of pocket for tuition, not including other costs such as textbooks, housing, and meals.[7]

Institutions rely on their financial aid administrators' professional judgment to determine if a student's "special circumstance" warrants an appeal. Students must provide documentation proving their circumstance and demonstrate how the circumstance will no longer hinder their academic performance.

- If the institution grants the student's appeal, the student is placed on probation and provided one more opportunity (the following term) to demonstrate their ability to maintain SAP. If they fail to do so, they are immediately deemed ineligible for federal financial aid, or, in other words, they "SAP out."

- If the school denies a student's appeal or a "SAP-ed out" student seeks to re-enroll, they are responsible for paying out of pocket for all costs associated with their education until they demonstrate their ability to successfully maintain SAP by raising their cumulative GPA to 2.0. The student can then regain their financial aid eligibility.

Due to the fear of being audited by the federal government and losing an institution's ability to distribute federal financial aid, financial aid administrators are conservative in assessing and applying the "special circumstances" component of the SAP rule, which oftentimes makes them hesitant to grant appeals.

What is professional judgment?

When an unusual situation or circumstance impacts a student's federal student aid eligibility, federal regulations give financial aid administrators the ability to use discretion or "professional judgment" on a case-by-case basis to determine a student's eligibility for federal financial aid. Students must submit adequate documentation of the special or unusual circumstance for the administrator to make a determination.[6]
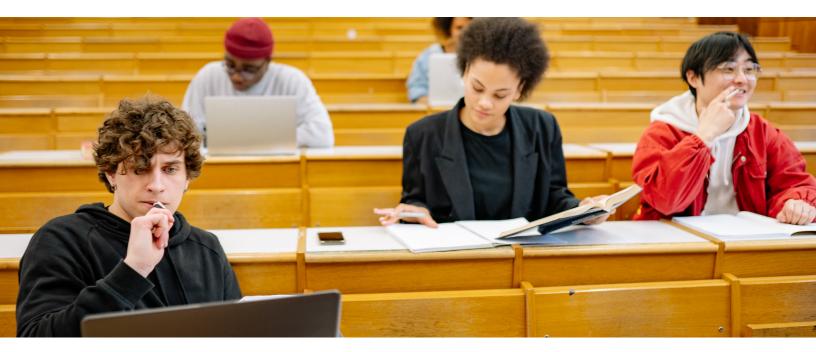
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LOSING ACCESS TO FINANCIAL AID DISPROPORTIONATELY IMPACTS UNDERSERVED STUDENTS

While the SAP requirement served a purpose when it was established 47 years ago, the policy currently disrupts access to essential financial aid, especially for underrepresented students. The existing SAP policy can be surprising and confusing for many students who are new to college and arrive academically underprepared, do not receive proper advising, or face unexpected life challenges.

Although there is limited data on how many students lose access to student aid due to failing to meet SAP requirements, the Beginning Postsecondary Students (12/17) survey found that 14% of first-year students reported a GPA below 2.0 in 2012.[8] A recent study by John Burton Advocates for Youth also spotlights SAP challenges some of today's students face.[9] Among those students who failed to meet SAP standards, roughly 77% were students from low-income backgrounds who lost their Pell Grant award. This policy also disproportionately impacts students of color. Black, Hispanic, and Indigenous American students failed to meet SAP more than twice the rate of their white peers.

SUPPORTING RETURNING ADULTS IS KEY TO INCREASING POSTSECONDARY ATTAINMENT

A rigid SAP policy particularly impacts returning adult students who may have stopped out or dropped out and want to return to school. These students face challenges that may affect their academic performance, such as trouble securing stable and affordable child care, job loss, financial duress, or other circumstances outside their control.[10] Once these students have a chance to get back on their feet and are ready to finish their education, they should be able to return to school without having to jump through unnecessary hoops.

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INNOVATIVE RESPONSES TO CURRENT SAP CHALLENGES

Some states and institutions have developed innovative solutions to respond to the enrollment barriers and financial obstacles students face when they fall short of maintaining SAP. While these solutions are no substitute for federal action, policymakers should look to the success of proven solutions to help inform future federal policy and shape federal guidance.

State of Indiana — A "SAP Reset" for State Financial Aid

Since SAP focuses on ensuring the efficient use of federal aid, many states have closely aligned their state-funded aid policies with the federal standard. However, in 2017, Indiana began offering students an opportunity to regain access to state aid after a period of non-enrollment through its Adult Student Grant and Workforce Ready Grant, cornerstones of their effort to re-enroll adult students, decrease red tape for students, and increase the state's economic competitiveness.[11]

Returning Indiana students not enrolled during the previous two years are automatically eligible to receive this aid even if they "SAP-ed out." While these students may be barred from receiving federal aid, providing them with some financial support to re-enroll and get another chance at completing their education is a prime example of how states are attempting to create opportunities around the federal SAP requirements.

Cuyahoga Community College (Ohio) – A Holistic SAP Appeals Process

While some institutional financial aid administrators can interpret the rigid federal SAP policy as black and white, today's students face many challenges that are not as clearly defined. Institutions such as Cuyahoga Community College (Tri-C) in Cleveland, Ohio, use levers within their discretion to ensure that students maintain access to their financial aid.
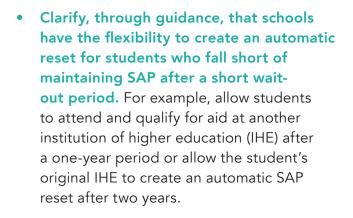
Tri-C also works with students by notifying them of their SAP status every term instead of annually, operating a fully-online SAP appeals process with a 7-10 day turnaround time between submission of the appeal and notice of approval/denial. Tri-C's SAP appeals review committee is comprised of a cross-section of campus administrators including the financial aid director, enrollment services director, and dean of academic counseling. Tri-C also allows students to re-submit an appeal during the same term if there was an error and exercises professional judgment through the special circumstances provision to grant appeals based on the realistic challenges of today's students. As a result of having a holistic SAP appeals policy, Tri-C approves 80% of the SAP appeals they receive and ensures that more students can complete their education.

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RESETTING SAP FOR RETURNING STUDENTS

An enrollment attempt ending in a low GPA should not result in students indefinitely losing access to federal financial aid. Policy changes and clarified rules can remove this barrier to re-enrollment.

- **Update current SAP legislative language to better reflect the realities of today's students**. This would include after two years of non-enrollment, allowing students who lost access to their federal financial aid due to falling short of maintaining SAP an automatic reset of their SAP standing. A SAP reset would make it easier for the 39 million adults with some credit but no credential to re-enter the higher learning system and complete a degree or credential, giving them the opportunity to upskill or change career fields and, ultimately, increase their lifetime earning potential.

> " **An automatic SAP reset would encourage current students and future generations to continue their education regardless of life's challenges. We should be able to come back to school when we're ready to continue our education without punishment for our past decisions**. *– Andrea Dargo, Student at Cerritos College*

Scan to hear Andrea's story

- **Clarify, through guidance, that schools have the flexibility to create an automatic reset for students who fall short of maintaining SAP after a short wait-out period.** For example, allow students to attend and qualify for aid at another institution of higher education (IHE) after a one-year period or allow the student's original IHE to create an automatic SAP reset after two years.

- **Clearly define what's considered a "special circumstance" and make clear to IHEs that any published list of circumstances is not exhaustive and that there could be other valid reasons for an appeal.** Some students who fall short of SAP requirements face challenges due to extenuating circumstances, including, but not limited to, transportation challenges, access to child care, illness of a family member, and job loss. Improved guidance should empower financial aid administrators who assess and approve SAP appeals to use their flexibility with professional judgment to make way for students who previously did not meet SAP requirements based on circumstances outside of personal illness or the death of a family member.

- **Require IHEs to collect and report data on the prevalence and disparate impact of falling short of maintaining SAP.** By requiring institutions to provide this data disaggregated by Pell and enrollment status, gender, race, and disability status, institutions can better align their SAP policies to meet the needs of today's students.

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ENDNOTES

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ACKNOWLEDGMENTS

Learn more about HLA's campaign to widen the path for today's students at **www.widenthepath.org**.

For more information about **Higher Learning Advocates**, please contact Julie Peller, executive director, at **jpeller@higherlearningadvocates.org**.