

Title IV Eligibility of Competency-Based and Direct Assessment Programs

David Musser

Greg Martin

Agenda

- 1) Defining Competency-Based Education
- 2) Credit/Clock Hour CBE Programs
- 3) Direct Assessment Programs
- 4) Prior Learning Assessment
- 5) Regular and Substantive Interaction
- 6) Academic Calendars
- 7) Return of Title IV Funds
- 8) Satisfactory Academic Progress
- 9) Direct Assessment Application Process

Defining Competency-Based Education

- There is no Federal definition for competency-based education (CBE) in general
- CBE programs have been in existence for many years
- In recent years, new models of CBE have emerged that focus on distance education

Defining Competency-Based Education

- Typical characteristics of CBE programs:
 - Organize academic content by competency, rather than more traditional methods, such as by course
 - Measure a student's academic progress by assessing learning outcomes, typically on the basis of mastery of a defined set of competency standards

Defining Competency-Based Education

For Federal purposes, there are two types of CBE programs:

- Credit- or clock-hour CBE programs
- Direct assessment CBE programs

Credit/Clock Hour CBE Programs

- Measure student progress using credit-hours or clock-hours
 - Subject to Federal requirements for credit or clock hours in 34 CFR 600.2
- Do not need program-specific approval from accrediting agency
 - Unless otherwise required by the agency the first time a CBE program is offered

Credit/Clock Hour CBE Programs

- May be offered partially through traditional coursework and partially through competency-based coursework as long as all student progress is measured using credit- or clock-hours

Establishing CBE Credit-Hours

- Credit-hour CBE programs are not required to use structured class sessions
- Institutions must ensure that students are expected to complete an adequate amount of academic activity for each Title IV credit-hour

Establishing CBE Credit-Hours

- An institution's policies for establishing credit-hours for a CBE program must also meet all requirements and standards set by the institution's accrediting agency

Credit-Hour Definition

- 34 CFR 600.2: Each credit-hour must include an amount of expected academic activity that reasonably approximates not less than:
 - Approximately 45 hours of academic activity for one semester or trimester hour; or
 - Approximately 30 to 36 hours of academic activity for one quarter hour

Direct Assessment Programs

- Do NOT measure student progress using credit-hours or clock-hours
 - Instead use equivalencies for the purpose of calculating Title IV aid
- Measure student progress solely by assessing whether a student can demonstrate command of a specific subject, content area, skill, or quality

Direct Assessment Programs

- Requirements:
 - Must be offered 100% through direct assessment (with an exception for remedial courses)
 - Each program must be specifically approved by institutional accrediting agency
 - Credit equivalency must also be approved by accrediting agency

Credit/Clock Equivalencies

- Direct assessment programs are not subject to the requirements in the Federal definition of a credit-hour
- In direct assessment programs, students may receive credit for Title IV purposes after engaging in sufficient academic activity to be able to achieve the required learning outcome

Credit/Clock Equivalencies

- Equivalencies are used for all aspects of determining a student's eligibility for Title IV aid, including:
 - Program eligibility
 - Enrollment status
 - Satisfactory academic progress

Credit/Clock Equivalencies

- Requirements:
 - Institutions providing direct assessment programs must provide a “factual basis,” satisfactory to the Secretary, for its claim of equivalency to credit- or clock-hours
 - An institution’s accrediting agency must also approve its claim of equivalency

Credit/Clock Equivalencies

- The chart to the right shows one way an institution could develop equivalencies for a direct assessment program
- *Note: This chart alone does not include the level of detail necessary to establish a factual basis for equivalencies*

Traditional Course	Credit Hours	Competency	Credit Equivalent
English 101	3	Write appropriately researched persuasive arguments	6
Communications 101	3		
Statistics 101	3	Perform complex statistical calculations	3
Management 101	4	Identify the recent major trends in leadership theory	2
		Analyze and critique leadership case studies	2
Total	13	Total	13

Direct Assessment Applications

- Regulatory requirements: 34 C.F.R. 668.10(b)
- Application process: described in DCL GEN 13-10
- Two parts to the application:
 - Narrative application submitted to CaseTeams@ed.gov, including accreditor documentation, and
 - Electronic Application to Participate (E-App)

Prior Learning Assessment

- Many institutions provide academic credit using “prior learning assessment”
- In prior learning assessment, a student is given the opportunity to display learning gained through past instruction or experience

Prior Learning Assessment

- There is no prohibition on prior learning assessment in Title IV-eligible programs, including CBE programs
- However, hours earned solely through prior learning assessment – without any instruction at the school – may not be included in determining Title IV eligibility

Prior Learning Assessment

- Credit- or clock-hours that are awarded solely on the basis of prior learning may not be included in a student's:
 - Enrollment status (in a term-based program)
 - Completion of the credit- or clock-hours in a payment period (in a non-term program)

Prior Learning Assessment

- For satisfactory academic progress purposes, hours earned solely through prior learning assessment are treated the same way as transfer credits:
 - Treated as both attempted and completed in quantitative evaluation of progress; and
 - Must be accounted for when determining whether student completed program within maximum timeframe

Prior Learning Assessment

- Institutions offering CBE programs must have a process for differentiating credits earned solely through prior learning and credits earned on the basis of coursework or instruction at the institution

Prior Learning Example

- An institution requires students beginning a competency in statistical analysis to take a “pre-test” before beginning work on the competency
- The pre-test is designed to ascertain the areas where the student is already proficient, and areas where the student needs work

Prior Learning Example

- If a student displays full mastery on the pre-test without engaging with course materials:
 - The institution receives full credit toward completion of the program
 - **HOWEVER**, the credit-hours or equivalencies associated with that competency do **NOT** count toward the student's Title IV enrollment status

Regular and Substantive Interaction

- Online CBE programs that are not designed to ensure regular and substantive interaction between students and instructors are considered to be correspondence programs

Regular and Substantive Interaction

- Requirements:
 - Interactions that occur only upon the request of the student (either electronically or otherwise) are not considered regular and substantive interaction
 - Interactions are considered to occur “regularly” if the program is designed to ensure that they occur on a predictable and regular basis

Regular and Substantive Interaction

- Requirements (continued):
 - Interactions are considered “substantive” if they are substantial (i.e. more than just a grade), relevant to the academic subject matter in which the student is engaged, and provided by a faculty member who meets accrediting agency requirements for instruction in the subject matter under discussion

Regular and Substantive Example

- An institution's CBE program does not involve regular classes, and instead permits students to work through coursework at their own pace. There are no set class sessions or times.

Regular and Substantive Example

- However, the institution's program could meet the "regular and substantive interaction" requirements by regularly requiring one or more of the following:
 - Student attendance at faculty-supervised discussion groups
 - Faculty-initiated conversations with students
 - Submissions of assignments where faculty provide substantive, written feedback

Regular and Substantive Example

An institution that considers a CBE program to be offered using distance education must document how the program's design meets the requirement for regular and substantive interaction.

Academic Calendars for CBE

- When the institution builds its academic calendar, it must ensure that for each week included, the institution provides the education resources and faculty availability required for instruction
 - It is important that the institution has clearly documented the weeks of instruction for the CBE program. Weeks without instruction cannot be included in the academic calendar

Academic Calendars – Term-Based

- For a term-based program, work associated with mastery of competencies must start and end within the term
- Institutions often use subscription periods to assess tuition charges for term-based CBE programs

Academic Calendars – Term-Based

- If students are not required to complete competencies within the term dates, the program must be treated as non-term
 - If students are allowed to begin new competencies so late that it is not reasonable to expect that the competencies can be completed by the end of the term, the program does not meet the requirements of a term-based program

Term-Based CBE Example

- ABC University has a credit-hour BS in Accounting program taught via CBE and charges students using a six month subscription period
- Students can complete any number of competencies during the subscription period for a fixed tuition charge

Term-Based CBE Example

- ABC U defines academic year as 48 weeks and 24 semester credit hours, with nonstandard terms that are 24 weeks in length; full time is 12 credit-hours/term
- For the CBE program, the nonstandard term is the payment period, which coincides with the subscription period

Academic Calendars – Non-term

- Non-term academic calendars provide flexibility for self-paced programs, allowing students to begin and complete competencies without a set schedule
- Institutions also sometimes use subscription periods to assess tuition charges for non-term CBE programs

Academic Calendars – Non-term

- Payment period ends after student completes the weeks and demonstrates mastery of the credit- or clock-hours (or the equivalent) in the payment period
- Payment periods are half the weeks and half the credit- or clock-hours (or the equivalent) in the program's definition of academic year

Non-term CBE Example

- XYZ University creates a direct assessment program leading to a BS in Homeland Security
- Program is non-term and the academic year is defined as 30 weeks and 48 competencies (XYZ has established that two competencies are equivalent to one semester credit-hour)

Non-term CBE Example

- Payment periods are at least 15 weeks and 24 competencies; both weeks and competencies must be completed to complete the payment period
- XYZ U charges tuition using a six month subscription period, but students can begin the program at the beginning of any month

Non-term CBE Example

- Not all students will work quickly enough complete 24 competencies within six months, so additional tuition charges may occur prior to the beginning of the next payment period and the student's COA for the payment would increase

Return of Title IV Funds

- Institutions must follow R2T4 requirements for both direct assessment CBE programs and credit- or clock-hour CBE programs

Return of Title IV Funds

- Institutions must:
 - Define the process for official withdrawals in the context of the CBE program
 - Be able to identify unofficial withdrawals
 - Have a way to determine and document student has begun attendance in payment period by working on one or more competencies

Return of Title IV Funds - Terms

- If a student completes a competency in less than the length of the term, the time working on a competency is considered a module for R2T4 purposes
- Module begins when student begins work on a competency and ends when student demonstrates mastery of the competency

Return of Title IV Funds - Terms

- When student demonstrates mastery or ceases enrollment in all competencies without beginning new competencies during payment period or period of enrollment, institution must follow R2T4 requirements applicable to modules to determine if withdrawal has occurred

Return of Title IV Funds - Terms

- If the competencies in a term-based CBE program do not have specified start and end dates, and students are enrolled to complete as many as they can during the term, students are considered to be scheduled to attend entire term
- Therefore, the R2T4 denominator would include all the days in the term, excluding scheduled breaks of five days or more

Return of Title IV Funds - Terms

- Calendar days counted for R2T4 calculation exclude scheduled breaks of five days or more and days when student is not enrolled in any competency/module during the term

Return of Title IV Funds - Terms

- Example:
 - ABC U offers a term-based CBE program where the subscription periods coincide with terms, which is 168 days long
 - Each competency is equivalent to one credit
 - The competencies in ABC U's CBE program can be taken consecutively or concurrently, and there is some variation possible in the order in which students take the competencies

Return of Title IV Funds - Terms

- Example (continued):
 - John is enrolled in the CBE program at ABC U and officially withdraws from the program during a term; upon withdrawal, he was enrolled in 12 credits and had mastered five credits worth of competencies
 - John had paid for the entire subscription period, so ABC U considers John to have been scheduled to attend for the full term/subscription period

Return of Title IV Funds - Terms

John's Progress During Term	# of Competencies Started	# of Competencies Mastered	Total Competencies Completed in Term
Week 1	1	0	0
Week 3	1	0	0
Week 4	0	1	1
Week 7	2	0	1
Week 8	0	1	2
Week 9	1	0	2
Week 10	0	1	3
Week 11	2	2	5

Return of Title IV Funds - Terms

- Example (continued):
 - John officially withdrew at the end of week 11 (76th day), leaving two competencies he had started but not mastered
 - The days in the term are used to calculate the amount of the return; there are no scheduled breaks of five days or longer during the term and there were no breaks in John's enrollment
 - R2T4 will divide 76 days by 168 days

Return of Title IV Funds – Non-term

- For a **non-term** CBE program, institution must establish a policy for determining the timeframe a withdrawn student would have needed to complete the payment period or period of enrollment
- See *Percentage of Title IV aid earned for withdrawal from a credit-hour non-term program, FSA Handbook 2015-16, Volume 5, Chapter 1*

Return of Title IV Funds – Non-term

- Example:
 - XYZ U makes available instructional resources and faculty Monday through Friday, every week of the year, with no breaks greater than four consecutive days
 - XYZ U's policy extrapolates to determine when the student would have completed the payment period based on the rate of completion of competencies in the payment period prior to withdrawal

Return of Title IV Funds – Non-term

- Example (continued):
 - XYZ U student officially withdraws from the direct assessment program during the payment period that began at the beginning of March
 - Student had demonstrated mastery of two competencies after four weeks of work

Return of Title IV Funds – Non-term

- Example (continued):
 - Student completed two competencies in four weeks (4 weeks x 7 days/week = 28 days)
 - Payment period consists of 24 competencies and a minimum of 15 weeks
 - $28 \text{ days} / 2 \text{ competencies} = 14 \text{ days/competency}$
 - $24 \text{ competencies} \times 14 \text{ days/competency} = 336 \text{ days}$ to complete payment period for purposes of R2T4 calculation

Return of Title IV Funds – Non-term

- NOTE: if the number of days calculated is less than the definition of the payment period, the length of the defined payment period is used
 - Example: Payment period is a minimum of 15 weeks; $15 \text{ weeks} \times 7 \text{ days/week} = 105 \text{ days}$
 - If extrapolation calculation yields a projected completion timeframe of less than 105 days, 105 days is used

Satisfactory Academic Progress

- Both the qualitative and quantitative components of the satisfactory academic progress (SAP) requirements must be applied for all types of CBE programs

Satisfactory Academic Progress

- Qualitative:
 - If a CBE program does not use standard grading measures (i.e., A, B, C, D, F), qualitative measure may be satisfied if completion of a competency requires equivalent of “C” or above

Satisfactory Academic Progress

- Quantitative:
 - If CBE program is measured in credit-hours, or direct assessment program uses credit-hour equivalencies, institution must evaluate pace using requirements for credit-hour programs in 34 C.F.R. § 668.34(a)(5) and (b)

Satisfactory Academic Progress

- Quantitative (continued):
 - Pace in a credit-hour program is calculated by dividing cumulative credit-hours successfully completed by cumulative credit-hours attempted
 - Institution must define what constitutes attempting a competency in CBE program

Satisfactory Academic Progress

- NOTE: non-term credit-hour (or direct assessment credit-hour equivalency) programs may set their SAP evaluation points using the guidance provided for clock-hour programs in Electronic Announcement (EA) published 6/6/2011

Satisfactory Academic Progress

- Example:
 - XYZ U's SAP policy for its direct assessment program requires students to demonstrate mastery of competencies at a level equivalent to a grade of A
 - If students do not demonstrate mastery, they must continue working on the competency until mastery is demonstrated; students have either the equivalent of a 4.0 cumulative GPA or 0.0 GPA

Satisfactory Academic Progress

- Example (continued):
 - Program length is 48 months (four years); maximum time frame for completion is six years
 - Pace requirement is 67%
 - Student is considered to have attempted a competency after opening the course materials for the competency in the learning management system (LMS)

Satisfactory Academic Progress

- Example (continued):
 - Sam begins the BS in Homeland Security direct assessment program in January
 - At the end of 26 weeks, Sam has demonstrated mastery of 20 competencies
 - At the SAP evaluation point, Sam has attempted 30 competencies, but completed only 20 for a pace of $20/30=67\%$
 - Sam has met the SAP standards

Resources

- Direct assessment regulations: 34 C.F.R. § 668.10
- Direct assessment application instructions: DCL GEN 13-10, March 19, 2013
- Competency-Based Education Programs—Questions and Answers: DCL GEN 14-23, December 18, 2014
- *Federal Student Aid Handbook, 2015-16, Volume 2, Chapter 2*

Presenter Contact Information

David Musser
FSA Policy Liaison and Implementation
David.Musser@ed.gov

Greg Martin
Office of Postsecondary Education
Gregory.Martin@ed.gov

Questions?

