Session 160
Experimental Sites Initiative (ESI)

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U.S. Department of Education
Experimental Sites Initiative (ESI)

• Authority under Section 487A(b) Higher Education Act of 1965, as amended
• Tests the effectiveness of statutory and regulatory flexibility for participating institutions disbursing Title IV student aid
• Provides waivers of specific statutory and/or regulatory requirements
• Intended to yield data that will inform decisions about changes to regulations and statute
Experiments Announced in 2011

- Federal Register Notice – 10/27/11
  - Pell Grants for Students with Bachelor’s Degrees
  - Pell Grants for Short-Term Training Programs
- For both experiments, otherwise eligible students will be randomly selected to receive Pell Grants
- Still opportunity to participate - send e-mail to: EXPERIMENTALSITES@ED.GOV
Pell Grants for Students with Bachelor’s Degrees

Current Rules

- Generally, a student who has earned a bachelor’s degree is not eligible for Pell Grant funds

Experiment

- An otherwise-eligible student who has a bachelor’s degree, but is unemployed or under-employed, may be eligible for Pell Grant funds for enrollment in eligible vocational or career programs
### Pell Grants for Students with Bachelor’s Degrees

#### Waivers

<table>
<thead>
<tr>
<th>Law/Regulation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>HEA section 401(c)(1) and 34 CFR 668.32(c)(2)(i)(A)</td>
<td>Excludes students who have earned a bachelor’s degree from receiving Pell Grant funding</td>
</tr>
<tr>
<td>34 CFR 690.6(a)</td>
<td>Limits eligibility for Pell Grants to students who have not earned their first bachelor’s degree</td>
</tr>
</tbody>
</table>
Pell Grants for Students with Bachelor’s Degrees

Experiment Requirements:

- Students must be otherwise eligible for Pell Grants and unemployed or under-employed
- Enrollment must be in a vocational or career program that leads to a credential awarded by your institution
- Program’s length must be one-year or less, but meet normal minimum length requirements
- Student must be able to complete the program in no more than two years
Pell Grants for Short-Term Training Programs

Current Rules
- Students may be eligible for Pell Grant funds in an educational program if the program is:
  - At least 15 weeks of instructional time in duration; and
  - Includes at least 600 clock-hours, 16 semester hours, or 24 quarter hours

Experiment
- Students may be eligible for Pell Grants in short-term training programs if the program is:
  - At least 8 weeks of instructional time in duration; and
  - Includes at least 150 clock-hours, 4 semester hours, or 6 quarter hours
Pell Grants for Short-Term Training Programs

**Waivers**

<table>
<thead>
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<tr>
<td>HEA section 481(b)(1)(A)</td>
<td>Sets the minimum timeframes for a Pell Grant eligible program</td>
</tr>
<tr>
<td>34 CFR 668.8(d)(1)(i) and (ii)</td>
<td>Establishes the timeframes for Title IV- eligible programs</td>
</tr>
</tbody>
</table>
Pell Grants for Short-Term Training Programs

Experiment requirements:

• Students must be otherwise eligible for Pell Grants
• Program must be least 8 weeks of instructional time in duration and include at least 150 clock-hours, 4 semester credit hours or 6 quarter credit hours
• Program must lead to a certificate, degree or credential awarded by your institution
Experiments Announced in 2014

- Federal Register Notice – 7/31/14
  - Prior Learning Assessment (PLA)
  - Limited Direct Assessment (LDA)
  - Competency-Based Education (CBE)
  - Federal Work-Study (FWS) for Near-Peer Counseling
- Still opportunity to participate - send e-mail to: EXPERIMENTALSITES@ED.GOV
# Prior Learning Assessment

## Current Rules

- Costs for prior learning assessments may not be included in COA
- Time and effort spent preparing for prior learning assessments may not be included in a student’s enrollment status

## Experiment

- COA can include reasonable costs incurred by a student for assessments of prior learning
- Federal Pell Grant enrollment status may include up to three credit hours associated with a student’s efforts to prepare materials for a prior learning assessment
  - Example: Preparing for a portfolio assessment
Prior Learning Assessment

Waivers

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<tr>
<td>HEA Section 472</td>
<td>Establishes types of expenses that may be considered when determining a student’s financial need</td>
</tr>
<tr>
<td>34 CFR 668.2</td>
<td>Definition of enrollment status</td>
</tr>
<tr>
<td>34 CFR 600.2</td>
<td>Definition of “credit hour”</td>
</tr>
<tr>
<td>34 CFR 668.10(f)</td>
<td>Prohibition on the use of Title IV funds for PLA in direct assessment programs</td>
</tr>
</tbody>
</table>
Prior Learning Assessment

Experiment Requirements:

• The institution must include the cost of prior learning assessments in students’ cost of attendance
• The institution must provide academic credit when a student successfully demonstrates prior learning through an assessment that is included in the experiment
Limited Direct Assessment

**Current Rules**

- Must use direct assessment for the entire direct assessment program, not a combination of direct assessment and traditional credit hours or clock-hours.
- May not provide remedial coursework offered using direct assessment.

**Experiment**

- Programs offering a combination of direct assessment and credit/clock hours are allowed.
- An institution may include remedial coursework offered in credit hours or using direct assessment in a student’s enrollment status.
## Limited Direct Assessment

### Waivers

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<tr>
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<tr>
<td>HEA section 481(b)(4) and 34 668.10 (a)(1)</td>
<td>Requires that a direct assessment program use direct assessment for the entire program</td>
</tr>
<tr>
<td>34 CFR 668.10(g)(2)</td>
<td>Prohibits the payment of Title IV aid for remedial coursework offered using direct assessment</td>
</tr>
</tbody>
</table>
Limited Direct Assessment

Experiment Requirements:

- The institution must offer an approved direct assessment program including at least one course or competency that also uses credit or clock-hours

AND/OR

- The institution must offer at least one remedial course or competency using direct assessment
Competency-Based Education

• The Competency-Based Experiment provides three separate sets of waivers that institutions may choose from:

  1. Split Disbursement (July 2014 Federal Register)

  2. Satisfactory Academic Progress ONLY (November 2015 Federal Register)

  3. Subscription Period Disbursement (November 2015 Federal Register)
Competency-Based Education

**Current Rules**
- Disbursements for direct costs and indirect costs made at same time
- Disbursements for a term-based program are made each term
- Disbursements for a nonterm program are made when the student completes both 50% of credits and weeks in the academic year

**Split Disbursement Waivers**
- Disbursements for direct and indirect costs may occur at different times
- Disbursements may be made for direct costs when competencies have been mastered
- Disbursements for indirect costs must be made at regular intervals
Competency-Based Education

**Current Rules**

- Term program: Each term is a payment period
- Nonterm program: A payment period is the time it takes for the student to complete 50% of the credits in the academic year and 50% of the weeks in the academic year

**Split Disbursement Waivers**

- Two types of payment periods: direct cost payment periods and indirect cost payment periods
- Payment periods are no more than 25% of the defined Title IV academic year component
Competency-Based Education

**Current Rules**

- Must check a student’s satisfactory academic progress once annually but can check more often.
- Quantitative evaluation determines whether a student is on pace to complete within 150% of normal time, and is calculated by dividing credits completed over credits attempted.

**Split Disbursement Waivers**

- Must check a student’s satisfactory academic progress in a CBE program at least once when the student finishes the weeks in the program’s Title IV academic year, but can check more often.
- Quantitative evaluation is whether student is on pace to complete the program within 150% of the normal time over a given calendar period.
Competency-Based Education

Current Rules

- R2T4 calculation is required if a student withdraws during the payment period

Split Disbursement Waivers

- R2T4 calculations are not required for CBE programs included in the experiment
- Institutions must pay grant funds or notify students of loan funds that could have been disbursed as of the withdrawal date
## Waivers (Split Disbursement)

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<tr>
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<tr>
<td>34 CFR 668.4(c)</td>
<td>Definition of a payment period</td>
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<tr>
<td>34 CFR 690.63(e)(2)</td>
<td>Calculation of a Federal Pell Grant for a payment period</td>
</tr>
<tr>
<td>34 CFR 685.303 (e)(2) and (3)</td>
<td>Annual loan limits for Direct Loans</td>
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## Competency-Based Education

### Waivers (Split Disbursement)

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<td>34 CFR 674.16(b)(3), 34 CFR 676.16(a)(3), 34 CFR 686.33(a), 34 CFR 690.76(a)</td>
<td>Requirements for frequency of disbursements for grants and Perkins Loans</td>
</tr>
<tr>
<td>HEA Section 428G(a)(2) and 34 CFR 685.303(d)(3)(ii)(B)</td>
<td>Requirements for determining disbursement dates for Direct Loans</td>
</tr>
<tr>
<td>HEA section 484 B and 34 CFR 668.22 [NOT exempt from 34 CFR 668.22(a)(2) and 34 CFR 668.22(a)(6)]</td>
<td>Treatment of Title IV funds when a student withdraws</td>
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## Competency-Based Education

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<tr>
<td>HEA Section 484 (c) and 34 CFR 668.34 (a)(3)(ii),(a)(5)(ii), and (b)</td>
<td>Requirements for satisfactory academic progress evaluations</td>
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Competency-Based Education

Current Rules

- Must check a student’s satisfactory academic progress once annually but can check more often
- Quantitative evaluation determines whether a student is on pace to complete within 150% of normal time, and is calculated by dividing credits completed over credits attempted

SAP Waivers Only

- Must check a student’s satisfactory academic progress in a CBE program at least once when the student finishes the weeks in the program’s Title IV academic year, but can check more often
- Quantitative evaluation is whether student is on pace to complete the program within 150% of the normal time over a given calendar period
## Competency-Based Education

### Waivers (SAP Waivers Only)

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Competency-Based Education

Current Rules

• All classes in a term must begin and end within the established term dates
• Enrollment status for a term determined using all the classes in which a student enrolls during that term

Subscription Period Waivers

• Subscription periods are considered standard or nonstandard "terms"
• Competencies in a term may begin before the term begins
• A student's enrollment status is determined using all the competencies a student is expected to complete during the term
Competency-Based Education

**Current Rules**

- Disbursements for a term-based program are made each term
- Direct Loan disbursements must be made in "substantially equal" allotments

**Subscription Period Waivers**

- Disbursements are made each subscription period in accordance with rules for disbursement for the type of term the institution uses (standard and nonstandard)
- Direct Loan disbursements are prorated based on length of payment period in the same way as Pell or TEACH Grants
## Competency-Based Education

### Current Rules

- Must check once annually but can check more often
- Quantitative evaluation determines whether a student is on pace to complete within 150% of normal time, and is calculated by dividing credits completed over credits attempted

### Subscription Period Waivers

- Must check satisfactory academic progress at least once each term
- Each evaluation must include a review of the student's progress:
  - cumulatively
  - within the prior term
- Quantitative evaluation is whether student is on pace to complete the program within 150% of normal time
### Competency-Based Education

**Waivers (Subscription Period Disbursement)**

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<tr>
<td>34 CFR 668.4(a) and (b)</td>
<td>Definition of a standard or nonstandard term payment period</td>
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<td>HEA Section 484 (c) and 34 CFR 668.34 (a)(3)(ii),(a)(5)(ii), and (b)</td>
<td>Requirements for satisfactory academic progress evaluations</td>
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<tr>
<td>34 CFR 685.303(d)(5)</td>
<td>Proration of Direct Loans based on length of payment period</td>
</tr>
<tr>
<td>34 CFR 690.80(b)(2)(i)</td>
<td>Calculation of enrollment status for Pell Grants</td>
</tr>
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Competency-Based Education

Experiment requirements:

• The institution must provide at least one program which is offered through competency-based education for at least one academic year

• Competency-based education programs included in the experiment must be approved or recognized by an accrediting agency as a competency-based education program
Federal Work-Study

Current Rules

- Except under limited circumstances, the Federal share of compensation paid to students employed under the FWS Program may not exceed 75%.

Experiment

- The “matching” share of the FWS compensation will be reduced or eliminated for near-peer counselors, allowing 100% of Federal funds to provide FWS compensation to those students.
# Federal Work-Study

## Waivers

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<tr>
<td>HEA section 443(b)(5) and 34 CFR 675.26 (a)</td>
<td>Requirement that the Federal share of compensation paid to a FWS student may not exceed 75 percent</td>
</tr>
</tbody>
</table>
Federal Work-Study

Experiment requirements:

• Students must be otherwise eligible for FWS
• The institution must provide FWS compensation to students for work as near-peer counselors
• The institution must ensure that near-peer counselors are knowledgeable and either experienced in or trained in relevant counseling techniques
• Activities, information, and initiatives must be targeted to the needs of high school students
Experiments Announced in 2015

*The Department is not considering new applications at this time*

- Second Chance Pell
  - Federal Register Notice – 8/3/15
- Educational Quality through Innovative Partnerships (EQUIP)
  - Federal Register Notice – 10/15/15
- Dual Enrollment
  - Federal Register Notice – 11/3/15
Evaluation and Reporting
The Department’s evaluation of the experiments will include:

<table>
<thead>
<tr>
<th>Information Type</th>
<th>Possible Data Sources</th>
</tr>
</thead>
</table>
| Institution      | ▪ Integrated Postsecondary Education Data System (IPEDS)  
                   ▪ Institutional Experimental Site Survey and Narrative Descriptions  
                   ▪ Common Origination and Disbursement (COD)  
                   ▪ National Student Loan Data System (NSLDS) |
| Program(s)       | ▪ Institutional Experimental Site Survey and Narrative Descriptions |
| Students         | ▪ Institutional Student Information Record (ISIR) Data  
                   ▪ Common Origination and Disbursement (COD)  
                   ▪ National Student Loan Data System (NSLDS)  
                   ▪ Institutional Experimental Site Survey and Narrative Descriptions |
How to Apply

Federal Register

• ESI Website: ExperimentalSites.ed.gov

Submit Letter of Interest

• E-mail: EXPERIMENTALSITES@ED.GOV
Selection Process

Review and Screening

Past Compliance

Cross Section of Institutions

Institution participates if...

ED sends invitation to participate from EXPERIMENTALSITES@ED.GOV

Institution accepts invitation

Institution and ED sign amended PPA
Experimental Sites Initiative Website

https://experimentalsites.ed.gov
Taped Webinars Available

https://experimentalsites.ed.gov
## Experimental Sites Team

<table>
<thead>
<tr>
<th>Name</th>
<th>E-mail</th>
<th>Phone</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Michael Cagle</td>
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QUESTIONS?