

PROGRAM PARTICIPATION AGREEMENT (PPA) AMENDMENT

In order to participate in an experiment under the Experimental Sites Initiative, an institution must agree to amend its Program Participation Agreement (PPA) with the Department. The PPA is the contract between the institution and the Department in which the institution agrees to abide by the rules and regulations of the Title IV, HEA programs. A school does not begin participation in the experiment until its PPA amendment is executed by the Department.

The school will receive an amendment to its PPA. Once you receive this amendment, please carefully review it so that you understand your commitment to participate in this experiment. You will need to obtain the required signatures and return the signed Amendment to FSA via courier service.

FSA sends the school a countersigned amendment to the PPA. The school must keep this countersigned amendment on file.

Your school cannot begin disbursing aid under the experiment until:

- ▶ The school receives an official invitation from FSA to participate in the experiment;
- ▶ The school accepts the invitation;
- ▶ A school official – the school’s president, chief executive officer, or chancellor – signs and returns the required amendment to the PPA;
- ▶ Credit or clock hour CBE programs are approved or recognized as CBE programs by the institution’s accrediting agency;
- ▶ Direct assessment programs are approved by the institution’s accrediting agency;
- ▶ Eligible CBE programs are reported on the E-App and approved by the Department.



Auditors and Program Reviewers will ask for a copy of your PPA and addendum. Your school should know where your PPA and addendum are located and ensure that it is readily available in case a Reviewer or Auditor asks for it.



Question	Yes/No	Notes
Do you know where the PPA and addendum is located for your school?		
Is the PPA addendum safely stored and accessible? Explain where the PPA is safely stored and how it is easily accessible in the event the institution is asked to provide a copy to a Program Reviewer or Auditor.		

REPORTING COMPETENCY-BASED EDUCATION PROGRAMS TO FSA

Programs that the institution wishes to include in the CBE experiment must be reported on the Application for Approval to Participate in the Federal Financial Aid Programs (E-App).

When your CBE program has been approved or designated as a CBE program by your accreditor, you must update your E-App with the CBE program(s) that you intend to include in the experiment. You must add those programs in Section E. Be sure to include “ - CBE” in the title of the program. If the program is already reported on the E-App as a regular program and you now want to include that program in the experiment, you must add “- CBE” to the name of the program in Section E.

It is important to note that at least one academic year of the program must be offered solely through Competency-Based Education. To certify the program meets this requirement, you must indicate this using Section K, Question 69 on the E-App. You must also indicate if the program is offered in clock or credit hours or via direct assessment.

Instructions for adding CBE Programs to E-App		
1	Add new CBE Programs to Section E of E-App that you intend to include in Experiment.	“-CBE” must be included in the title. Example: ENGLISH-CBE
2	If the program is already reported on the E-App as a regular program and you now wish to include that program in the experiment, you must add “-CBE” to the name of the program in Section E.	“-CBE” must be included in the title. Example: ENGLISH-CBE
3	If the program is also in the Limited Direct Assessment Experiment you must also add “-LDA” to the name of the program in Section E.	Example: ENGLISH-CBE-LDA
4	It is important to note that at least one academic year of the program must be offered solely through Competency-Based Education. To certify the program meets this requirement, you must indicate this using Section K, Question 69 on the E-App.	
5	You must also indicate if the program is offered in clock or credit hours or via direct assessment using Section K, Question 69 on the E-App.	

**CHECKPOINT**

Test your understanding by answering the question after the following two scenarios. Answers provided on page 2-8.

Scenario 1

You received notification from your accreditor that your **Information Science & Technology** CBE program has been approved and you need to enter it in the E-App system. The program is already reported on the E-App as a regular program and you now wish to include that program in the experiment.

How would it appear in Section E of the E-App?

What would you need to enter in to Section K, Question 69 of the E-App?

Scenario 2

You received notification from your accreditor that your **Art & Design** CBE and LDA programs have been approved and you need to enter them in the E-App system. The programs are not reported on the E-App and you now wish to include those programs in the experiment.

How would it appear in Section E of the E-App?

What would you need to enter in to Section K, Question 69 of the E-App?

DOCUMENTATION REQUIREMENTS FOR PARTICIPATING INSTITUTIONS

To begin participating in either of the experiments, an institution will need to provide documentation of its accrediting agency's activities. The documentation required depends, in part, on the type of CBE program that the institution offers.

To include a course/credit or a direct assessment program in either of the experiments, an institution must provide documentation to the Department that its accrediting agency has evaluated and approved its general approach to CBE as part of an initial accreditation, renewal of accreditation, or substantive change evaluation.

To include a course/credit CBE program in either of the experiments, an institution must provide documentation to the Department that its program(s) are recognized as CBE programs by its accrediting agency (to include the specific elements related to the institution's approach to CBE as stated in the "Overview" above) and are approved and/or included in the institution's grant of accreditation.

To include a direct assessment program in either of the experiments, the institution must provide documentation to the Department that:

- ▶ For a program where 50% or more of the program can be completed using direct assessment, the program and the institution’s claim of equivalence in terms of credit or clock hours has been approved by the institution’s accrediting agency; or
- ▶ For a program where less than 50% of the program can be completed using direct assessment, the program is included in the institution’s grant of accreditation, and the program is recognized as a CBE program by its accrediting agency.

Chart of Required Documentation

Type of Program	Documentation Required from Participating Institutions		
Course/Credit CBE Program	Agency’s evaluation of institution’s approach to CBE	Program’s inclusion in institution’s grant of accreditation	Agency’s recognition as a CBE program
Direct Assessment Program – 50% or more	Agency’s evaluation of institution’s approach to CBE	Agency’s approval of DA program and clock/credit hour equivalency	
Direct Assessment Program – less than 50%	Agency’s evaluation of institution’s approach to CBE	Program’s inclusion in institution’s grant of accreditation	Agency’s recognition as a CBE program

POLICIES AND PROCEDURES



Policies & Procedures for the CBE experiment must address the following:

Policy Topic	Required policy & procedure	Date procedure updated
Institutional Eligibility	<p>The institution must include procedures to ensure and document that any CBE program offered under the experiment has been evaluated and is recognized or approved as a competency-based education program by its accrediting agency. The institution must also include procedures to ensure and document that the institution’s approach to CBE has been evaluated and approved by its accrediting agency, including, as applicable, any “substantive change” requirements in accordance with the regulations at 34 CFR 602.22, and:</p> <ul style="list-style-type: none"> ▶ If the CBE program measures students’ progress in credit or clock hours, the institution’s accrediting agency has determined that the institution’s assignment of credit or clock hours in the program conforms with general practice in higher education; or ▶ If approved by the Department to provide a direct assessment program, the clock or credit hour equivalencies for the competencies in that program have been approved by the institution’s accrediting agency and the Department under the regulations at 34 CFR 668.10. <p>Finally, the institution must include procedures to ensure and document that the program has been evaluated and approved for Title IV eligibility by the Department before the institution begins disbursing Title IV aid under the experiment.</p>	

Policy Topic	Required policy & procedure	Date procedure updated
Academic Year	The institution must ensure that the defined academic year for a semester-based or trimester-based CBE program under the experiment includes a minimum of 24 semester hours and a quarter-based program's academic year must include a minimum of 36 quarter hours. The institution must ensure that the academic year in a direct assessment program using credit hour equivalencies includes competencies equivalent to an amount of learning associated with a minimum of 24 semester hours or 36 quarter hours and at least 30 weeks of instructional time. The institution must ensure that the academic year in a direct assessment program using clock hour equivalencies includes competencies equivalent to an amount of learning associated with a minimum of 900 clock hours and at least 26 weeks of instructional time. The institution's policy must establish clock or credit hour equivalencies for each of the CBE program's required competencies.	
Disbursement for Direct and Indirect Costs	The institution's procedures must separate the components of the student's Title IV COA into two categories, one for "direct costs" (i.e., tuition and fees and books and supplies) and the other for "indirect costs" (such as room and board, transportation, miscellaneous expenses).	
Payment Periods	The institution's procedures must ensure that Title IV aid be disbursed to students under the "non-term" provisions of the regulations, except that institutions must shorten the length of the CBE program's payment period from 50 percent of the program's defined "academic year" to no more than 25 percent of the academic year. Since aid for direct and indirect costs will be decoupled, there must be two separate Title IV payment periods. The institution's procedures must ensure that a direct cost payment period is based on the student's completion of no more than 25 percent of the competencies in the program's Title IV academic year. Further, the school's procedures must ensure that an indirect cost payment period is based on the student's completion of no more than 25 percent of the number of weeks of instructional time in the program's Title IV academic year.	
Weeks of Instruction, Educational Activities and Substantive Interaction	<p>The institution's policy must ensure that a week of instructional time is any seven-day period in which the institution makes available to the students enrolled in the CBE program the instructional materials and faculty support to enable the student to engage in an educational activity. The policy must also ensure that an educational activity includes, but is not limited to, participating in regularly scheduled learning sessions (where there is an opportunity for direct interaction between the student and the faculty member), participation in faculty-guided independent study (as defined in 34 CFR 668.10(a)(3)(iii), consultations with a faculty mentor to discuss academic course content, or, in combination with any of the foregoing, assessments. For direct assessment programs only, educational activity also includes development of an academic action plan developed in consultation with a qualified faculty member that addresses competencies identified by the institution.</p> <p>The institution must include a process that ensures regular and substantive interaction between students and instructors.</p> <p>Further, the institution must include a process that may not allow Title IV aid to be paid for academic credits resulting from successful assessments of prior learning where the learning was not based on instruction provided during the payment period.</p>	

Policy Topic	Required policy & procedure	Date procedure updated
Withdrawals and the Return of Title IV (R2T4)	<p>The institution is not required to perform a calculation when a student withdraws during a payment period. However, the institution must include procedures to cancel or return all aid for a student who does not begin attendance in a payment period, and to withdraw a student who ceases to be academically engaged for 45 days, or fails to enroll in any competencies for 45 days. These procedures must ensure that no further Title IV aid is disbursed to such students. Further, the institution must include procedures to comply with regulations for late disbursements under 34 CFR 668.164(g), except insofar as post-withdrawal disbursements will not be calculated in accordance with 34 CFR 668.22(e). The institution must include procedures to ensure that within 45 days of determining that a student has withdrawn, it notifies the student of any loan funds for which the student might be eligible and maintains a process for issuing those funds to the student or the student’s account upon request. Likewise, the institution must include procedures to pay to a student any grant funds that the student was eligible to receive at the time of the withdrawal, and comply with the requirements in 34 CFR 668.21 to return funds for a payment period in which a student did not begin attendance.</p>	
Satisfactory Academic Progress (SAP)	<p>The institution’s SAP policy for CBE programs under the experiment must evaluate a student’s SAP upon the student’s completion of each of the program’s academic years, as measured in weeks of instructional time (i.e., at least 30 weeks for a program with credit hour equivalencies and at least 26 weeks for a program with clock hour equivalencies). The institution must include procedures to determine whether a student has completed sufficient competencies to complete the program within the maximum time frame, for an undergraduate program, that is no more than 150% of the program’s published length, as provided in the definition of “maximum timeframe” in the regulations at 34 CFR 668.34 (b). If the institution accepts any transfer credit to meet requirements of a student’s program under the experiment, the institution’s procedures should include whether it will prorate a student’s maximum timeframe based on the number of transfer credits a student has received.</p>	

SYSTEMS

**CHECKPOINT**

Here are some questions to consider about what will need to be in place in order to implement the CBE experiment on your campus.

Question	Notes
How will the additional requirements in this experiment impact the way you use technology at your institution?	
What system changes, if any, are necessary before you begin processing Title IV aid under the modified disbursement rules?	
If your system will not be used or modified for processing aid, how do you plan to handle these disbursements manually?	
If you have a separate system for academics and registration, how will this be impacted?	
This disbursement system may require greater tracking of student progress than you may have experienced before. How will you incorporate the need for closer tracking of student progress into your policies?	
How have you consulted other offices – for example, your registrar or business office – at your institution about how this will work?	

References and Resources



[Application for Approval to Participate in the Federal Student Financial Aid Programs \(E-App\)](#)

ANSWER KEY

Scenario 1

You received notification from your accreditor that your **Information Science & Technology** CBE program has been approved and you need to enter it in the E-App system. The program is already reported on the E-App as a regular program and you now wish to include that program in the experiment.

How would it appear in Section E of the E-App?

Information Science & Technology-CBE

What would you need to enter in to Section K, Question 69 of the E-App?

At least one academic year of this program is offered solely through Competency-Based Education. This program is offered in credit hours.

Scenario 2

You received notification from your accreditor that your Art & Design LDA program has been approved and you need to enter it in the E-App system. The program is not reported on the E-App and you now wish to include this program in the CBE experiment.

How would it appear in Section E of the E-App?

Art & Design-CBE-LDA

What would you need to enter in to Section K, Question 69 of the E-App?

At least one academic year of this program is offered solely through Competency-Based Education. This program is offered in credit hours.