

The Department of Education's *Experimental Sites Initiative*

Competency-Based Education (CBE)

November 2015

Agenda

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- Introduction

2

- PPAs and Program Applications

3

- Sets of Waivers

Split Disbursement

Satisfactory Academic Progress Only

Subscription Period Disbursement

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- Evaluation and Reporting

Responsibilities of Institutional Offices



Administrative Capability
668.16(b)(1) and (4)

Competency-Based Education

Objective

- To learn how new methods of disbursing Federal student aid may support self-paced competency-based education programs and benefit students enrolled in those programs

CBE Experiment Reference Guide

Table of contents	
Introduction	Introduction to ESI Process
Section 1	Introduction to CBE
Section 2	Getting started in the CBE Experiment
Section 3	Modified rules and regulations
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Available on ESI Website at the ***Implement An Experiment*** tab under the Guidance section:

<https://experimentalsites.ed.gov/exp/guidance.html>

Competency-Based Education

What is CBE?

- Organizes content according to competencies – what a student knows and can do – rather than using a traditional scheme
- Measures a student's academic progress by assessing learning outcomes, typically on the basis of mastery of a defined set of competency standards

Competency-Based Education

Traditional Postsecondary Programs

- Measure students' progress based on:
 - Number of credit or clock hours completed, and
 - Weeks of instructional time that have elapsed
- Classes have defined start and end dates

Competency-Based Education Programs

- Measure students' progress by assessing learning on the basis of mastery of a defined set of competency standards
- Programs are self-paced and courses do not have specific end dates

Competency-Based Education

Requirements to Participate

- Must provide at least one program which is offered through competency-based education for at least one academic year
AND
- Program must be approved or recognized by an accrediting agency as a competency-based education program

Program Participation Agreement



FSA sends the school the Amendment to the PPA
School signs and returns via courier service



FSA sends the school a countersigned amendment to the PPA

- School keeps copy

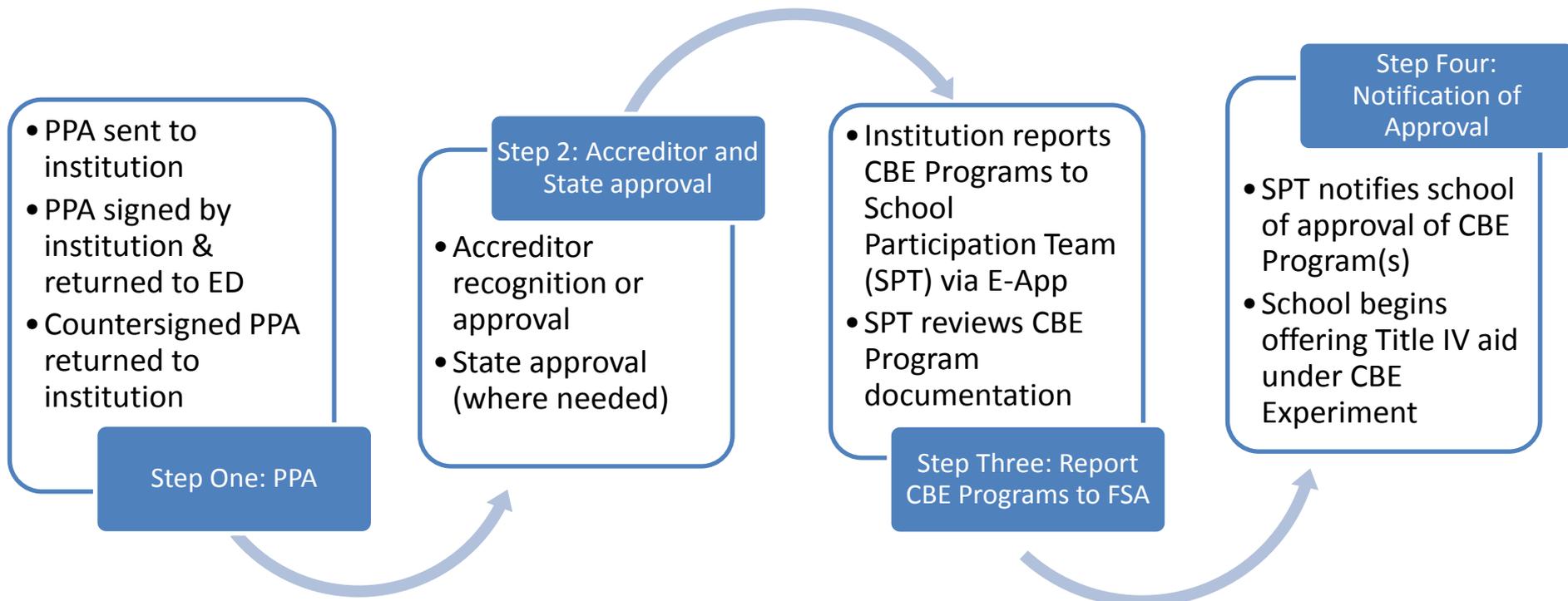
The E-App Process

Action	Process
Add new CBE Programs to Section E of E-APP that you intend to include in Experiment	<p>“CBE” must be included in the title. Example: ENGLISH-CBE</p>
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 .	<p>“-CBE” must be included in the title. Example: ENGLISH-CBE</p>
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
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 .	Use Section K, Question 69 to self-certify
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 .	Make notation in Section K, Question 69

Application Documentation

Type of Program	Documentation Required
CBE program offered solely using clock or credit hours	Accrediting agency's evaluation and approval of the institution's general approach to CBE, recognition of each of its programs as CBE programs, and inclusion of those programs in the institution's grant of accreditation
CBE program offered using less than 50% using direct assessment	
CBE program offered using 50% or more using direct assessment	Accrediting agency's specific evaluation and approval of the institution's programs and its clock/credit hour equivalency claims

Application and Approval Process



Policies and Procedures

Policy Topic	Required Policy and Procedure
Institutional Eligibility	<ul style="list-style-type: none">• 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
Academic Year	<ul style="list-style-type: none">• The institution must ensure that it has defined its academic year for each of its CBE programs included in the experiment. The institution’s policy must establish clock or credit hours, or the equivalents thereof, for each of the CBE program’s required competencies

Policies and Procedures

Policy Topic	Required Policy and Procedure
Weeks of Instruction, Educational Activities and Substantive Interaction	<ul style="list-style-type: none"><li data-bbox="388 354 1812 625">• The institution’s policy must ensure that a week of instruction 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<li data-bbox="388 696 1682 796">• The institution must include a process that ensures regular and substantive interaction between students and instructors<li data-bbox="388 868 1812 1082">• 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

Competency-Based Education

CBE Experiment Expansion

- Today, November 18th, 2015, the Secretary published a new Federal Register notice expanding the CBE Experiment
- The expansion will provide two new sets of waivers in addition to what was provided in the original July 31, 2014 notice

Competency-Based Education

CBE Experiment Expansion

- Following the expansion to the CBE Experiment, an institution may choose one of three separate sets of waivers:
 - Split Disbursement (original waivers)
 - Satisfactory Academic Progress Only
 - Subscription Period Disbursement

Sets of Waivers

Split Disbursement

- Allows an institution to disburse Title IV aid for "direct costs" as soon as the student completes a required number of competencies, and aid for "indirect costs" at regular intervals related to the completion of a certain number of weeks of instruction

Competency-Based Education

Split Disbursement Waivers

Law/Regulation	Description
34 CFR 668.4(c)	Definition of a nonterm payment period
34 CFR 690.63(e)(2)	Calculation of a Federal Pell Grant for a payment period
34 CFR 685.303 (e)(2) and (3)	Annual loan limits for Direct Loans

Competency-Based Education

Split Disbursement Waivers

Law/Regulation	Description
34 CFR 674.16(b)(3), 34 CFR 676.16(a)(3), 34 CFR 686.33(a), 34 CFR 690.76(a)	Frequency of disbursements for grants and Perkins Loans
HEA Section 428G(a)(2) and 34 CFR 685.303(d)(3)(ii)(B)	Determining disbursement dates for Direct Loans
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)	Treatment of Title IV funds when a student withdraws
HEA Section 484 (c) and 34 CFR 668.34 (a)(3)(ii),(a)(5)(ii), and (b)	Satisfactory academic progress

Direct and Indirect Costs

Direct Costs (DC)

- Tuition and Fees
- Books and supplies

Indirect Costs (IC)

- Room and Board
- Transportation, miscellaneous expenses, etc.

Packaging

1

- Package aid and determine award amounts using full COA, EFA, and EFC

2

- Identify direct and indirect cost components of COA

3

- Determine the portion of the package attributable to direct costs, using the most advantageous forms of aid (grants and subsidized loans) first

4

- If the student's Title IV awards are greater than the student's direct costs, attribute any remaining aid to indirect costs

Disbursement

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

Payment Periods

Current Rules

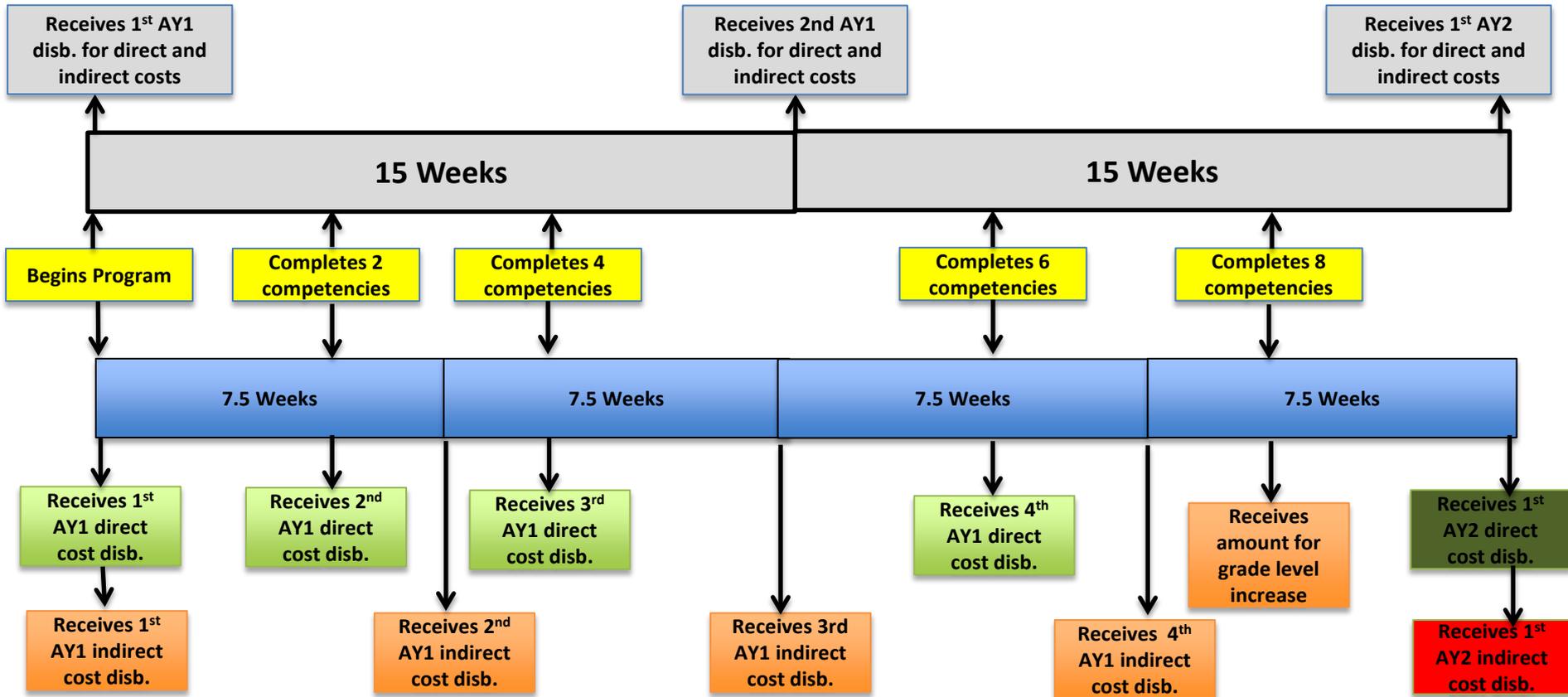
- Term program: Each term is a payment period
- Nonterm program: A payment period is the time it takes for the student to complete 50% of the credits in the academic year and 50% of the weeks in the academic year

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

Disbursement Progression

- Student accelerating through program



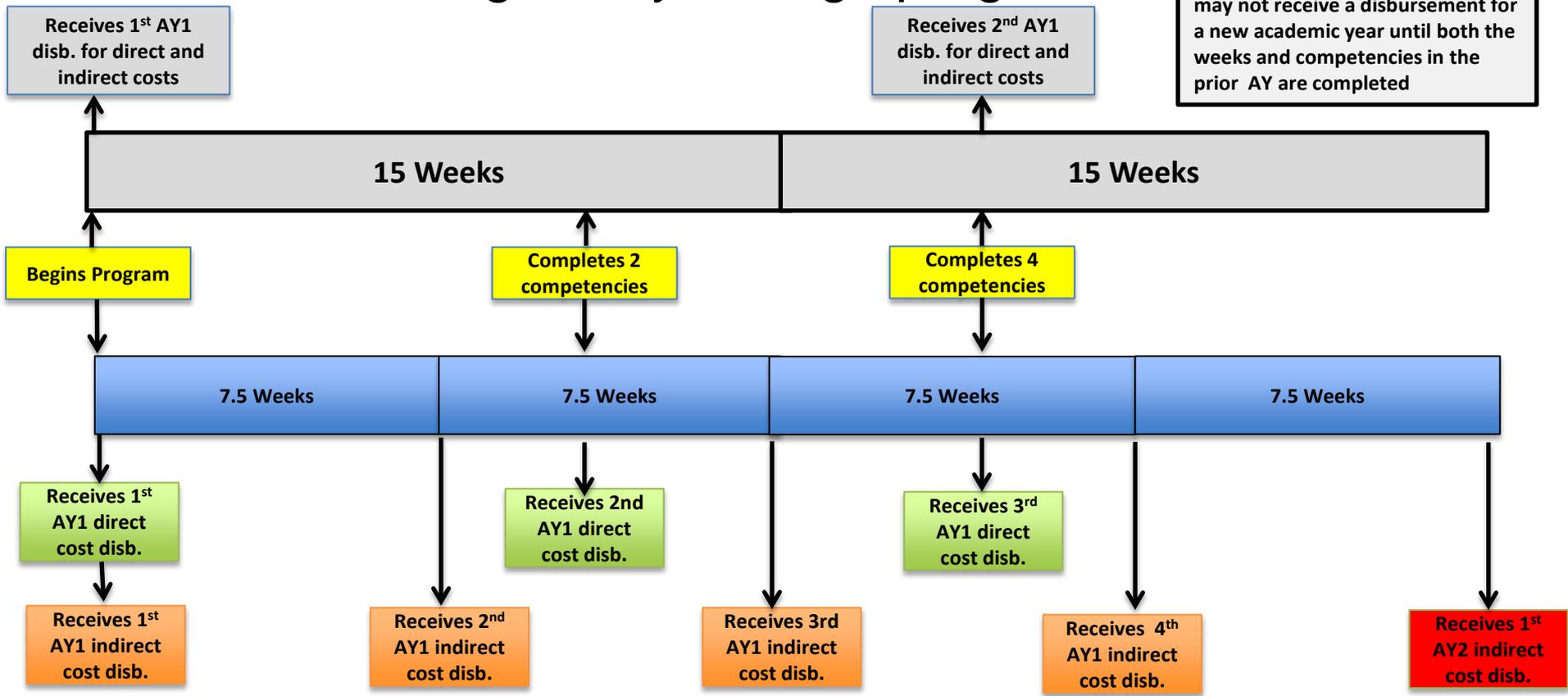
Legend: Student Progress Current Nonterm Rules CBE Experiment Rules

Note: In this example, each competency is the equivalent of three semester hours

Disbursement Progression

- Student moving slowly through program

Note: For Pell and TEACH a student may not receive a disbursement for a new academic year until both the weeks and competencies in the prior AY are completed



Legend: Student Progress (Yellow), Current Nonterm Rules (Grey), CBE Experiment Rules (Blue)

Note: In this example, each competency is the equivalent of three semester hours

Academic Year Progression

		Student's Rate of Progress	
		Completes Competencies Before Weeks	Completes Weeks Before Competencies
Title IV, HEA Program	Pell Grants and TEACH Grants	Must wait until weeks in prior academic year are completed.	Must wait until competencies in prior academic year are completed.
	Direct Loans	Must wait until weeks in prior academic year are completed. May receive a grade level increase to the current annual loan limit, if applicable.	Payments from annual loan limit associated with new academic year can immediately begin.
	Campus-Based Aid (excluding FWS)	Institution determines, subject to award year limits and other requirements.	Institution determines, subject to award year limits and other requirements.

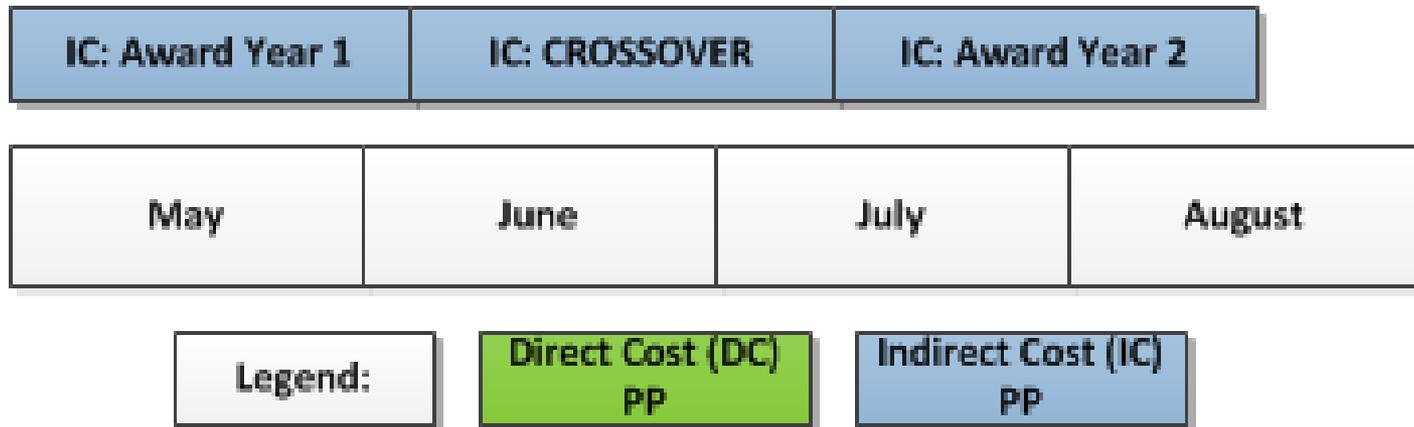
Pell Grant Crossover Periods

- If a payment period crosses over July 1, Pell can be paid out of either the preceding or subsequent award years (but not both)
- In the CBE Experiment:
 - An indirect cost payment period is a crossover payment period if it begins before July 1 and ends July 1 or later
 - A direct cost payment period is a crossover payment period if it begins during a crossover indirect cost payment period

Pell Grant Crossover Periods

Example for indirect cost payment periods:

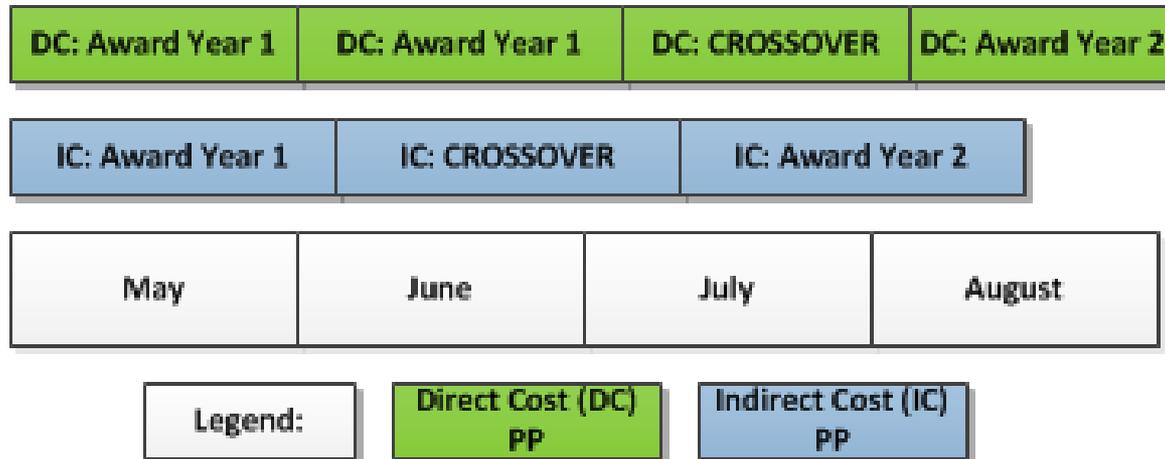
A student's indirect cost payment period begins on June 8th. That indirect cost payment period extends until July 17th, and is therefore considered a crossover period



Pell Grant Crossover Periods

Example for direct cost payment periods:

The student completes the competencies associated with her second direct cost payment period on July 10th, before the last day of the crossover indirect cost payment period. Therefore, that direct cost payment period is considered a crossover period



Satisfactory Academic Progress

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

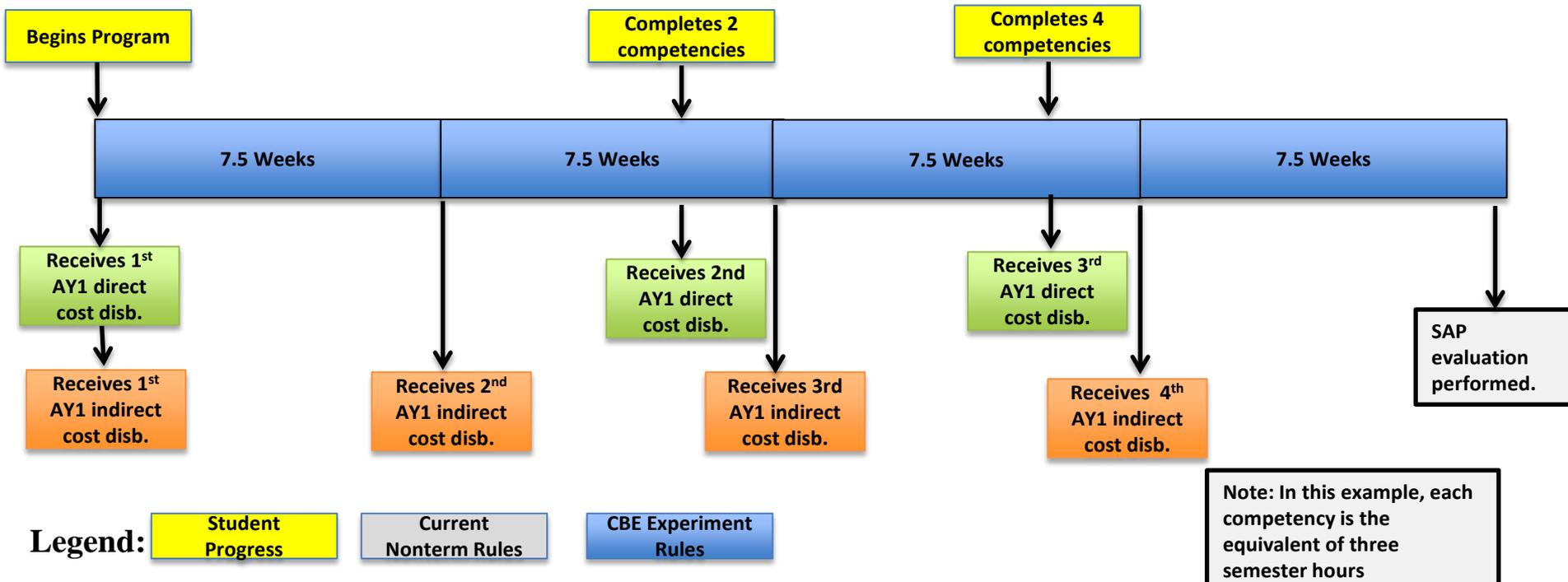
Split Disbursement Waivers

- Must check 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

SAP Example – Split Disbursement

Institution requires completion of at least 67% of expected competencies at end of each academic year.

One student is struggling and in danger of failing SAP.



SAP Example – Split Disbursement

The institution's evaluation of the student's pace for SAP purposes follows:

4 competencies completed over 8
competencies expected after 30 weeks
= **50% of normal pace**



RESULT: Student is not making SAP, and must either successfully appeal or lose Title IV eligibility

Return of Title IV Funds (R2T4)

Current Rules

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

Split Disbursement Waivers

- Because payment periods are shorter and disbursements are smaller, R2T4 calculations are not required
- Institutions must pay grant funds or notify students of loan funds that could have been disbursed as of the withdrawal date

Sets of Waivers

Satisfactory Academic Progress Only

- Allows an institution to calculate a student's pace for satisfactory academic progress using competencies completed over calendar time, rather than using competencies completed over competencies attempted
- Does not include any waivers of disbursement requirements

Competency-Based Education

SAP Only Waivers

Law/Regulation	Description
HEA Section 484 (c) and 34 CFR 668.34 (a)(3)(ii),(a)(5)(ii), and (b)	Satisfactory academic progress

Satisfactory Academic Progress

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

SAP Only Waivers

- Must check 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

Sets of Waivers

Subscription Period Disbursement

- Allows an institution to disburse Federal student aid in a simple, term-based format in programs that use “subscription periods” where students are charged one fee for a period of time where students complete as much coursework as possible

Competency-Based Education

Subscription Period Disbursement Waivers

Law/Regulation	Description
34 CFR 668.4(a) and (b)	Definition of a standard or nonstandard term payment period
HEA Section 484 (c) and 34 CFR 668.34 (a)(3)(ii),(a)(5)(ii), and (b)	Satisfactory academic progress
34 CFR 685.303(d)(5)	Proration of Direct Loans based on length of payment period
34 CFR 690.80(b)(2)(i)	Calculation of enrollment status for Pell Grant

Subscription Period Disbursement

Program Requirements

- Must offer a competency-based education program that uses “subscription periods,” in which students are charged a single fee for all of the student’s competency-based instruction during a period of calendar time

Subscription Periods

For purposes of the Subscription Period
Disbursement set of waivers:

Subscription period

is the same as

Standard or nonstandard term

is the same as

Payment period

Payment Periods

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 Disbursement Waivers

- Subscription periods are considered either standard or nonstandard "terms"
- Work on competencies may begin before the term begins
- A student's enrollment status is determined using all the competencies the student is expected to complete during the subscription period

Disbursement

Current Rules

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

Subscription Period Disbursement Waivers

- Disbursements are made each subscription period in accordance with rules for disbursement for the program's academic calendar (standard and nonstandard term)
- Except: Direct Loan disbursements are prorated based on length of payment period in the same way as Pell or TEACH Grants

Determining Enrollment Status

Flexibilities

- The student may begin working on competencies at any time prior to or during the subscription period
- School includes in enrollment status all the competencies it expects the student to complete during the subscription period
- The student is not required to complete all attempted competencies before receiving new disbursements of Title IV aid

Determining Enrollment Status

Limitations

- School may only include each unique competency for the program in a student's enrollment status ONCE; retaking coursework provisions do not apply
- School may not recalculate enrollment status after subscription period has begun
 - Exception: Must recalculate to add a completed competency that was not included in the student's enrollment status for that period or a prior period

Return of Title IV Funds (R2T4)

Current Rules

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

Subscription Period Disbursement Waivers

- No changes

Satisfactory Academic Progress

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 Disbursement Waivers

- Must check SAP following each subscription period
- Each evaluation must include a review of the student's:
 - academic progress within the prior payment period
 - cumulative academic progress
- Cumulative evaluation is whether student is on pace to complete the program within 150% of normal time

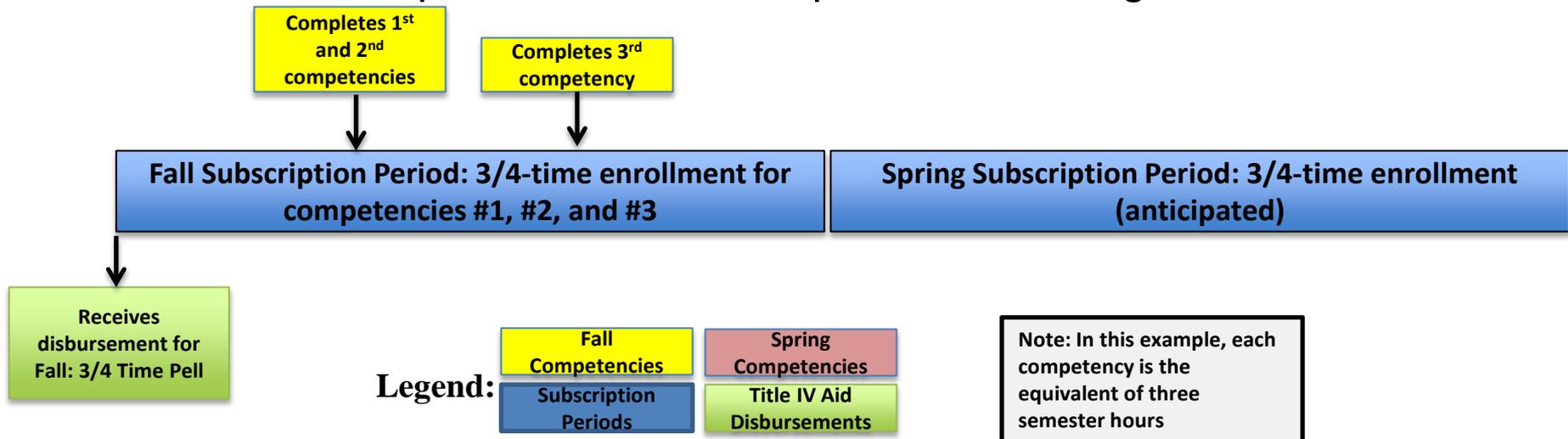
Satisfactory Academic Progress

Requirements

- Payment period evaluation: Student must complete at least the the number of competencies included in his/her enrollment status for the subscription period
- Cumulative evaluation: Student must be on pace to complete the program within the maximum timeframe, as determined by:
 - Dividing the aggregate number of competencies as of the date of the evaluation by the number of competencies expected to be completed by that time in order to complete the program within 150% of the published length of the program

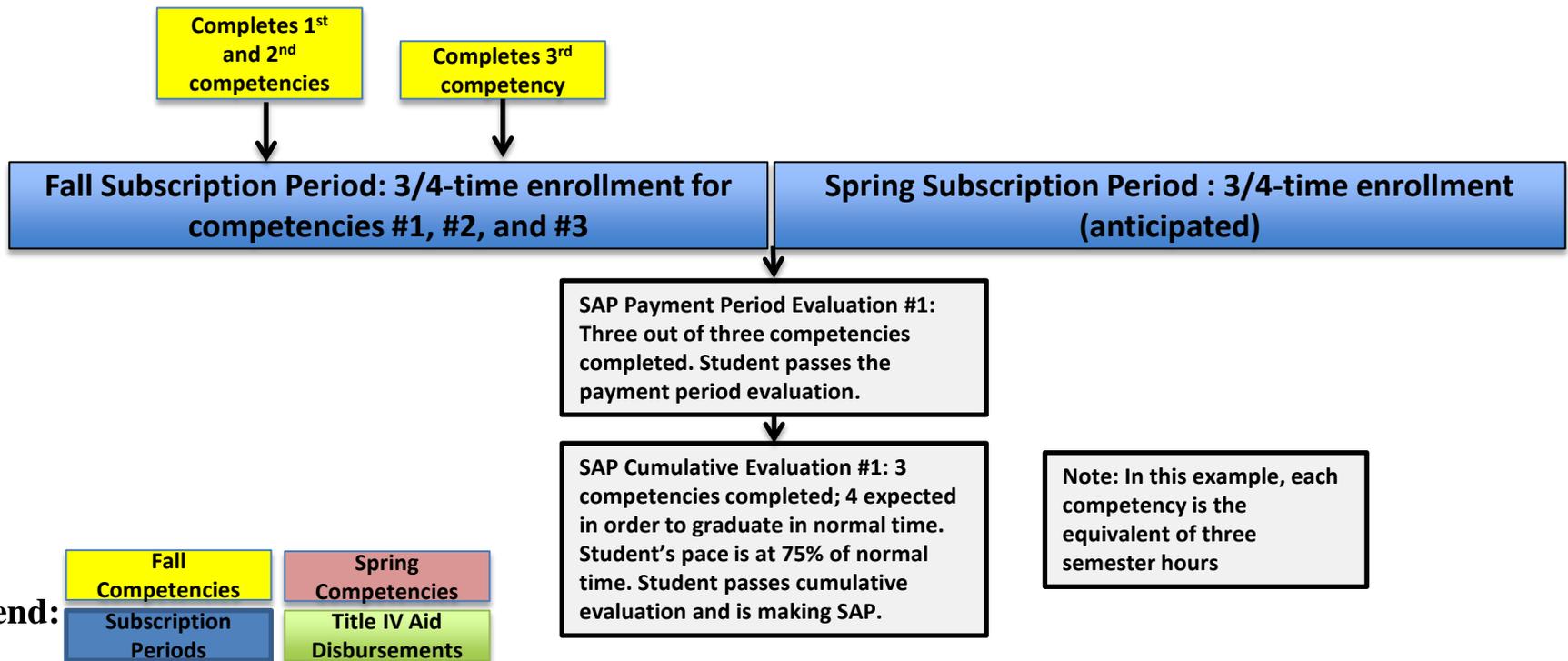
Disbursement / SAP Example A

- Student enrolls in a full-time CBE bachelor's degree program. There are 40 competencies in the program, and the published length of the program is five years. The school considers 67% to be the minimum pace for satisfactory academic progress purposes
- School expects student to complete three competencies in Fall (#1, #2, and #3) and disburses a 3/4-time Pell Grant for the Fall semester, which is the subscription period
- The student completes all three competencies during the Fall



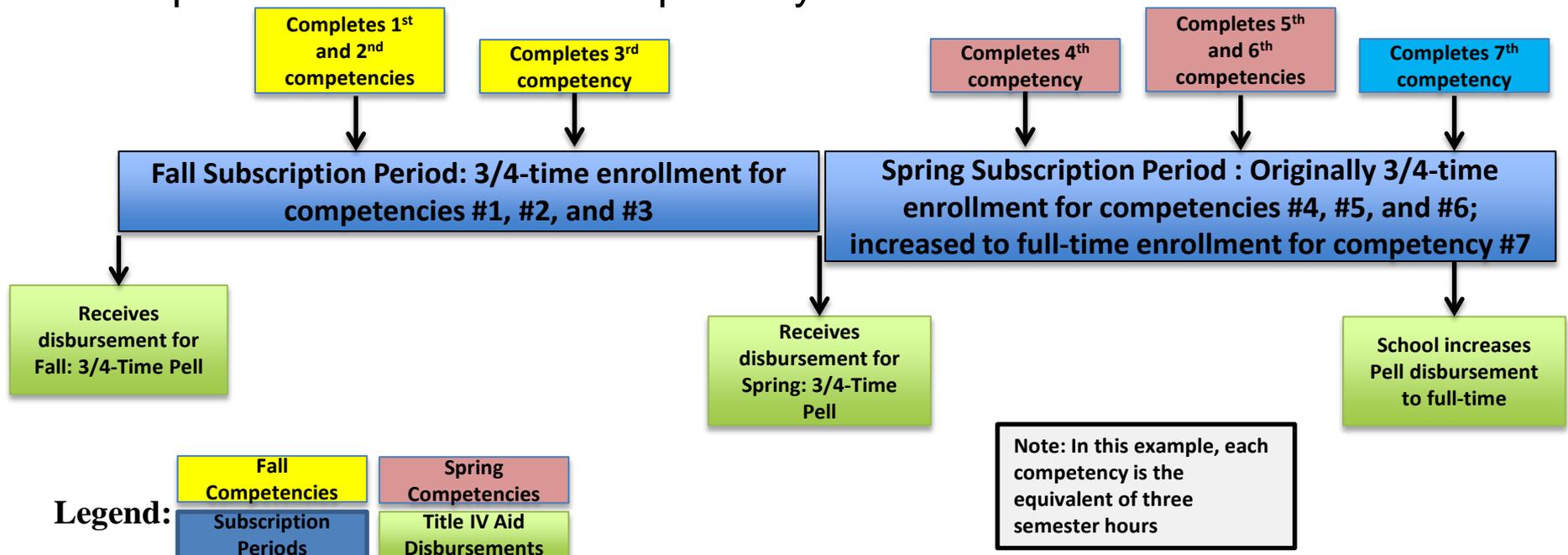
Disbursement / SAP Example A

- Student has completed the same number of competencies that the school included in the student's enrollment status, and is on pace to graduate in normal time
- Student is making satisfactory progress after the Fall



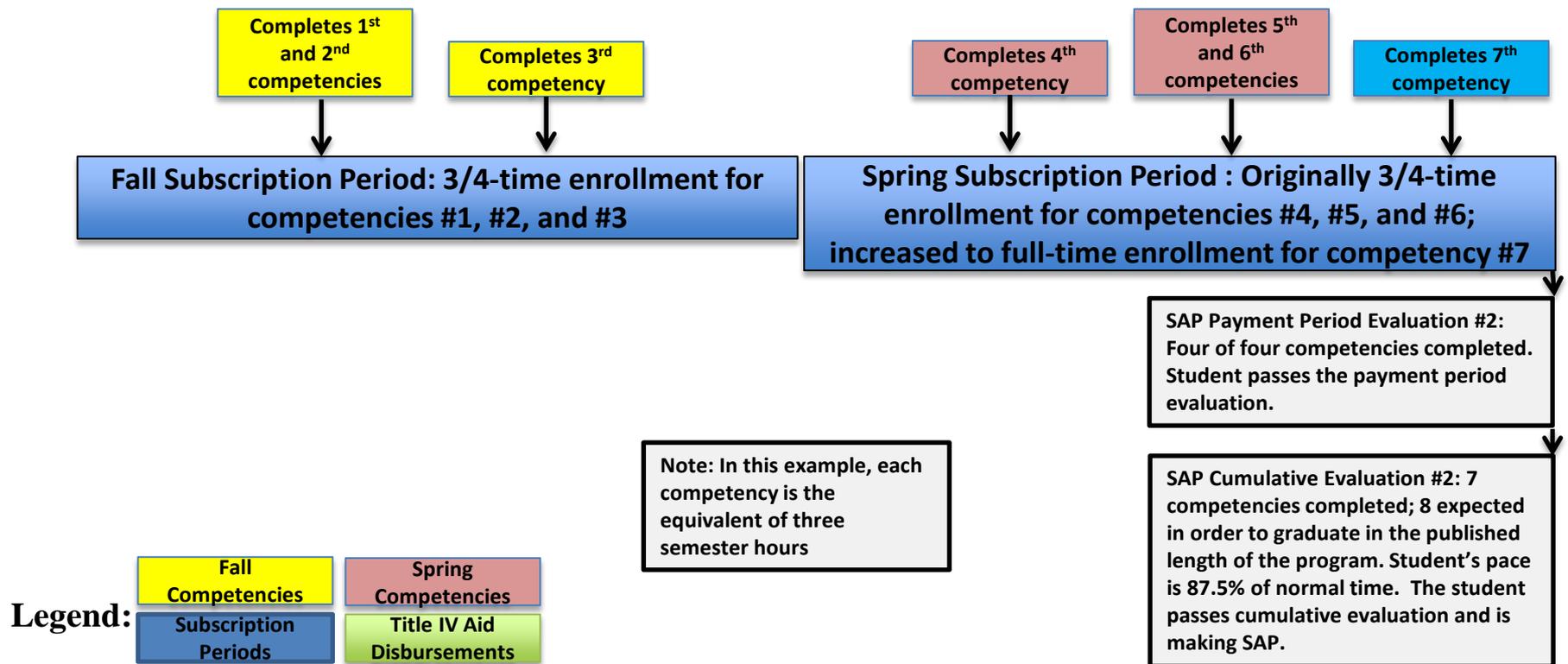
Disbursement / SAP Example A

- The student is expected to complete three competencies in the Spring (#4, #5, and #6), and the school initially disburses 3/4-time Pell Grant for the Spring
- The student unexpectedly completes a fourth competency (#7) School later recalculates to increase from 3/4 to full-time when student completes an additional competency



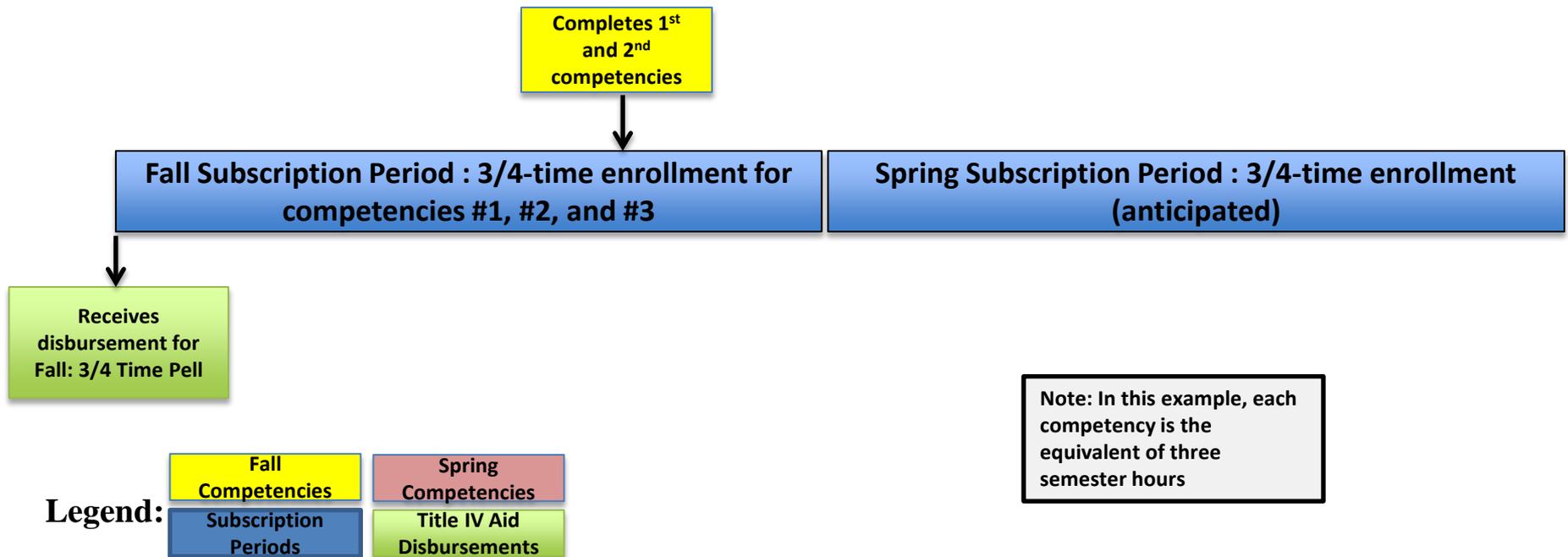
Disbursement / SAP Example A

- The student completed more competencies than expected in the Spring, and is still on pace to graduate within 150% of normal time
- Student is making satisfactory progress



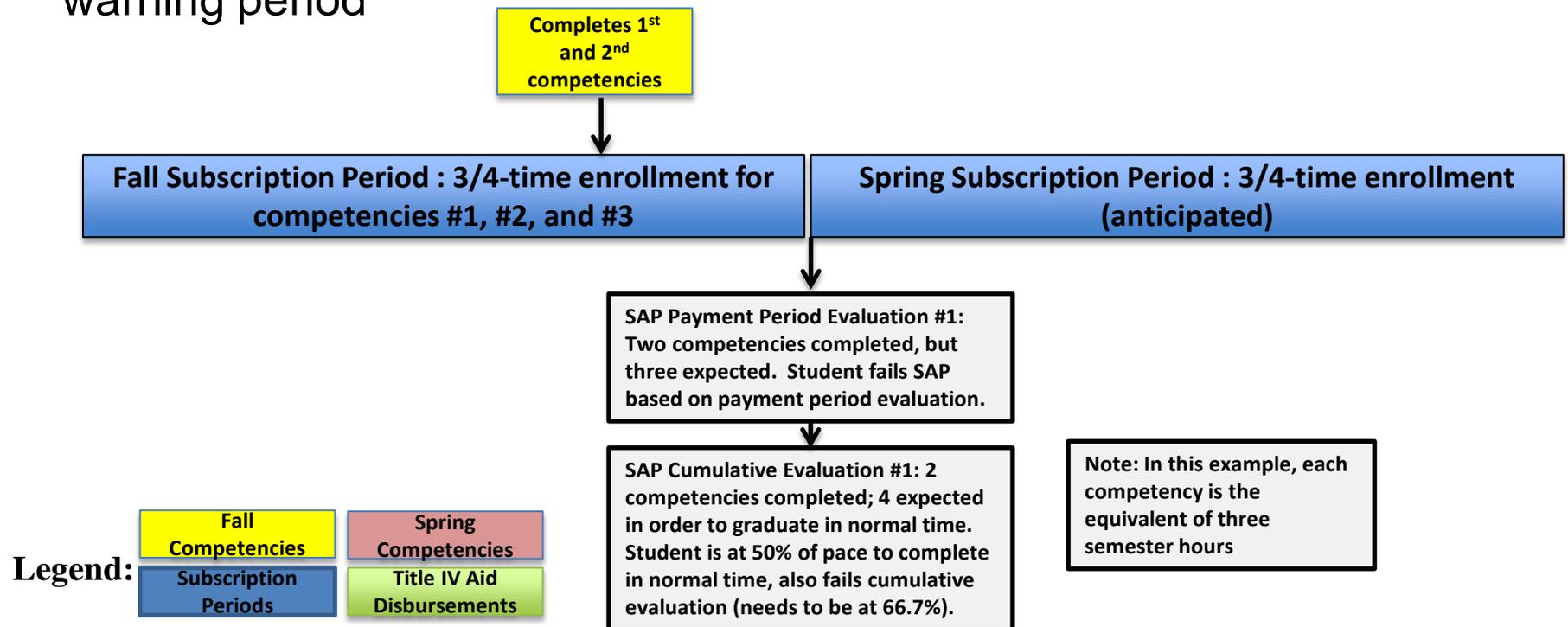
Disbursement / SAP Example B

- Student enrolls in the same full-time CBE program as in Example A
- School expects student to complete three competencies (#1, #2, and #3) in Fall and disburses a 3/4-time Pell Grant for the Fall
- The student completes only competencies #1 and #2



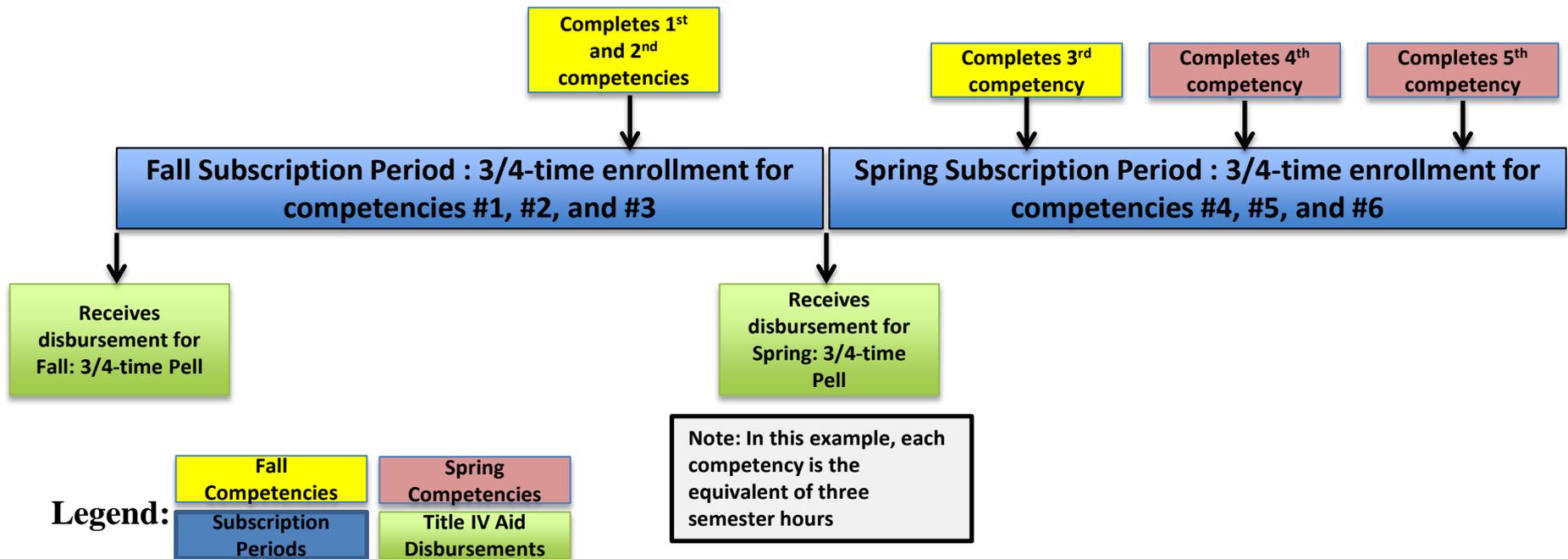
Disbursement / SAP Example B

- The student failed to complete all the expected competencies in the Fall, and is behind on his cumulative pace
- The student's Title IV aid for the Fall is not recalculated
- The student is not making SAP, and the institution places the student in a warning period



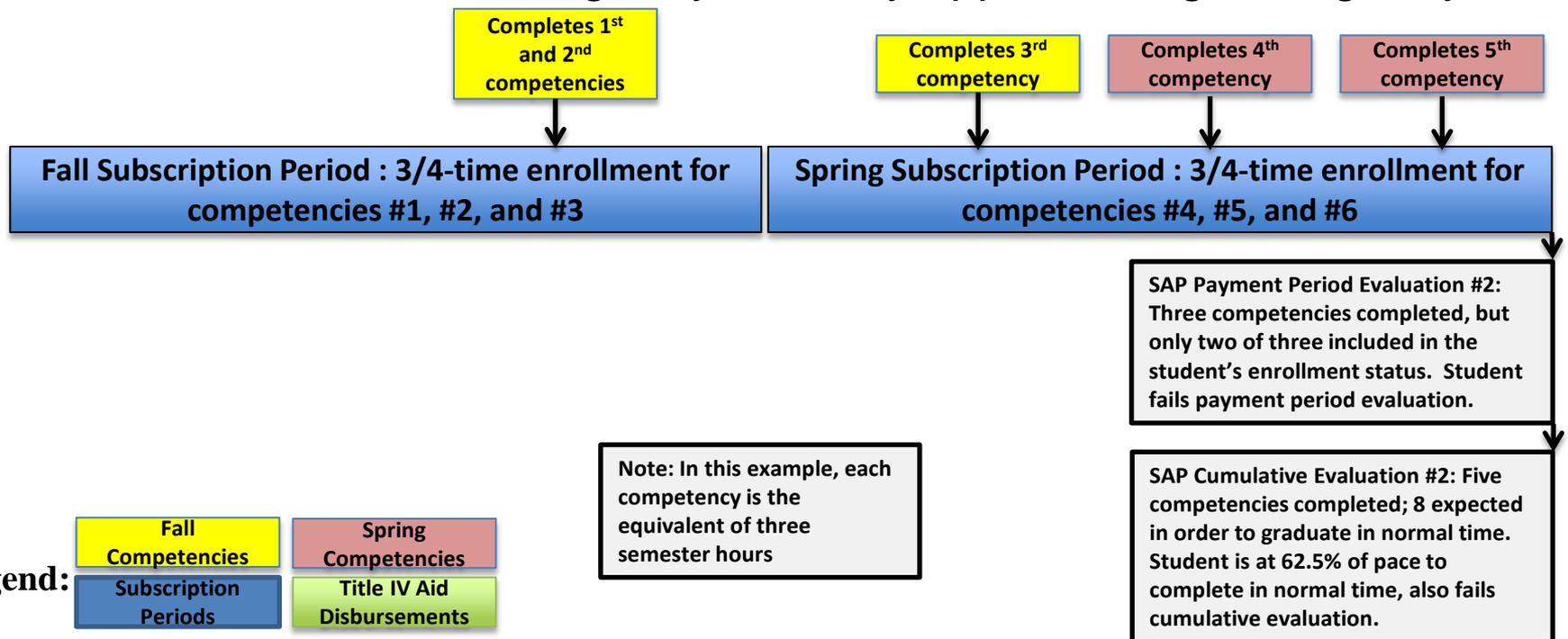
Disbursement / SAP Example B

- The student is expected to complete three additional competencies (#4, #5, and #6) in the Spring and receives a 3/4-time Pell disbursement
- The student completes three competencies (#3, #4, and #5) but one of those (#3) was included in the student's Fall enrollment status. The student does not complete competency #6



Disbursement / SAP Example B

- The student's Title IV aid for the Spring subscription period is not recalculated
- The student has failed to complete all the courses expected in the Spring, and once again fails the SAP evaluation
- The student loses Title IV eligibility, but may appeal to regain eligibility



Direct Loan Calculation

Use of Pell Grant Formulas

- Under Subscription Period Disbursement, Direct Loan disbursements will be calculated using the same rules as Pell Grants, except that a Direct Loan would not be prorated based on a student's enrollment status
- Pell Grants are calculated using different formulas depending on the type of academic calendar the program uses:
 - Standard terms: Formulas 1 or 2
 - Nonstandard terms: Formula 3

Direct Loan Calculation

Use of Pell Grant Formulas - Example

- Institution offers a nonstandard term CBE program with a 30-week academic year
- The institution has the following three subscription periods:

Fall Subscription Period: 12 weeks	Winter Subscription Period: 6 weeks	Spring Subscription Period: 12 weeks
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- This program would use Formula 3 because it does not use standard terms

Direct Loan Calculation

Subsidized Direct Loans for a first-year student in this program would be calculated as follows:

Fall Subscription Period:

$$\$3,500 \times \frac{\text{weeks of instruction in term (12)}}{\text{weeks of instruction in academic year (30)}} = \$1,400$$

Winter Subscription Period:

$$\$3,500 \times \frac{\text{weeks of instruction in term (6)}}{\text{weeks of instruction in academic year (30)}} = \$700$$

Spring Subscription Period

$$\$3,500 \times \frac{\text{weeks of instruction in term (12)}}{\text{weeks of instruction in academic year (30)}} = \$1,400$$

Unsubsidized Direct Loans for the same first-year student in this program would be calculated as follows:

Fall Subscription Period:

$$\$2,000 \times \frac{\text{weeks of instruction in term (12)}}{\text{weeks of instruction in academic year (30)}} = \$800$$

Winter Subscription Period:

$$\$2,000 \times \frac{\text{weeks of instruction in term (6)}}{\text{weeks of instruction in academic year (30)}} = \$400$$

Spring Subscription Period

$$\$2,000 \times \frac{\text{weeks of instruction in term (12)}}{\text{weeks of instruction in academic year (30)}} = \$800$$

Evaluation and Reporting

The Department's evaluation of the experiment will include information from:

- Integrated Postsecondary Education Data System (IPEDS)
- Common Origination and Disbursement (COD)
- National Student Loan Data System (NSLDS)
- Institutional Student Information Records (ISIRs)
- Institutional Experimental Site Survey and Narrative Descriptions

Evaluation and Reporting

- Annually, institutions will:
 - Complete a survey to provide background information on your CBE programs
 - Report identifiers and other data for students enrolled in your CBE programs
- The Department will provide the specific information that an institution must report

ESI Website

<https://experimentalsites.ed.gov>



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Questions and Answers