

# Competency-Based Education:

## A Policy Primer

January 2017



# FOREWORD

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Competency-Based Education (CBE) is broadly considered to be one important solution in the effort to maintain our nation’s global competitiveness by increasing the number of our citizens with postsecondary credentials. The nearly 600 institutions working on CBE programs are investing in the promise of these programs to address higher education’s well-documented challenges of access, quality, and affordability for a diverse set of students. CBE has actually been around for decades, leveraged primarily to address barriers for degree completion in adult learners and pioneered by institutions such as Alverno College and DePaul University. New capabilities – both in technology and curriculum design – have catalyzed the recent interest in and growth spurt of CBE programming. In this useful policy primer, the authors offer a summary of top issues that CBE practitioners and supporters must address in order to support the scalability of this promising innovation.

Many educators are hopeful that this generation of CBE programs will prove to be sustainable while fulfilling the promises of increased focus on learning outcomes, strong alignment to the needs of both employers and society, and valid and authentic assessment of competencies. The U.S. Department of Education has supported this work, both by approving institutions for Direct Assessment (which is clarified in this paper) and through the Experimental Sites Initiative. While this is an important start, the authors of this paper suggest that more is needed. Actually, work is underway in many of the eight “top issues” articulated in this paper. For example, the Competency-Based Education Network (C-BEN) recently released a draft set of Quality Standards for CBE. This is an essential development in the effort to ensure program quality and responsible scaling in CBE programs. Additionally, many of the Trade Adjustment Assistance Community College and Career Training (TAACCCT) grants from the U.S. Department of Labor were awarded to CBE programs, suggesting an initial pathway for the Departments of Education and Labor to strengthen connections between education and employers, as recommended in the paper. Finally, programs are gathering both qualitative and quantitative evidence for the value of CBE.

As CBE shifts from being an “exception to the rule” to being an accepted pathway within the higher education landscape, policymakers and regulators will need to keep pace. The CBE field can support the work of these policymakers and regulators by offering guardrails for responsible innovation. Evidence of program efficacy, quality definitions, and exemplars of long term success will form the basis for these guardrails.

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## ABOUT WHITEBOARD ADVISORS AND CAPELLA UNIVERSITY



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Whiteboard Advisors advises the most transformative businesses and organizations in education, health, and wellness. Our team of policy wonks, geeks, and storytellers brings an unmatched understanding of the political and policy landscape to bear on strategy. With offices in Washington, DC and Silicon Valley, we help our clients navigate complex regulatory matters, conduct policy and market research, and implement creative communications strategies.

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Capella University is accredited by the Higher Learning Commission. Founded in 1993, the university is dedicated to providing flexible, professionally aligned online degree programs designed to help working adults advance in their careers. As of September 30, 2016, more than 37,500 students were enrolled in Capella's bachelor's, master's, doctoral, and certificate programs. Known for its commitment to learner success, academic quality, and innovations in online education, Capella pioneered competency-based direct assessment programs allowing students to learn at their own pace.

## ABOUT THE AUTHORS

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For nearly twenty years, David has been a part of many of the national education policy debates at the state and federal levels, including the development of the nation's first charter school laws in the 1990s, implementation of state-based higher education performance funding policies, and the Obama administration's higher education reform efforts.

David began his career as an early employee of SchoolNet during the pioneering days of "data-driven decision-making," helping to build the K-12 learning management systems market in the early 2000s. As an attorney at the national law firm of Brustein & Manasevit, he represented state educational agencies and local educational agencies on federal fiscal and policy strategy and compliance matters during the heydays of No Child Left Behind and the American Recovery and Reinvestment Act.

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# EXECUTIVE SUMMARY

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Over the last eight years, higher education has experienced a quiet revolution. Amid unbundling, calls for disruption, and the rise-and-fall of the MOOC, the U.S. Department of Education (ED) has ushered in a sea change in higher education. In an ironic twist for an administration once defined by antipathy toward for-profit education, “policy innovation” in higher education may prove to be one of President Obama’s enduring legacies.<sup>1</sup>

The change is happening, in part, because ED is allowing a handful of institutions to accept federal financial aid for programs that do not rely on the traditional credit hour, but rather on verified evidence of student learning and achievement, referred to as competency-based programs. This is particularly important for adult learners, whom former Under Secretary Ted Mitchell has described as the “new normal” due to their prevalence in higher education. The new programs allow these adult learners to move through coursework at their own pace and schedule, potentially reducing the cost of completion.<sup>2</sup> They also allow a school to imagine new instructional formats and methods of delivery that value mastery of skills and abilities over who delivers the instruction or how it’s delivered.

Like so many terms and trends that transcend policy and innovation, competency-based learning is at once widely discussed and poorly understood. Pioneered in its contemporary form by online programs, competency-based learning is now gaining traction across traditional, on-ground institutions. Its appeal is rooted, in part, in the potential to create a common language between colleges, students, and employers. In its best form, it should create transparency for student-consumers who deserve a better understanding of how their studies translate into career aspirations. It should encourage employers to eschew old proxies for talent in favor of real evidence of skills and competencies, and it should allow schools to be confident that their students can do what they say they can do.

Yet, the common language does not yet exist. Inconsistent use of terms muddies the waters, as does the breadth of program types. Recent reports suggest that over 600 colleges and universities are in various stages of planning to implement competency-based learning programs – and there are big differences among programs and the regulations that enable their existence.

This paper seeks to bring clarity to an increasingly complex conversation. It starts with an overview of competency-based education and the unique attributes of the direct assessment model. It provides an overview of the role that the credit hour plays with regard to innovation and the use of federal student aid, and it specifies the two key channels that ED is using to

advance competency-based education and the direct assessment model, in particular. The paper then turns to the critical question of program and assessment quality. What is it and how do we get it? Finally, it identifies a series of issues that policymakers and practitioners will encounter as competency-based education, direct assessment, and their progeny move away from the periphery and to the center of higher education policy and practice.

Our goal was not to retread familiar ground or provide a comprehensive overview of how federal fiscal policy should work with competency-based education. We share the key issues that stood out during our interviews and research but stop short of articulating a vision for where public policy should head. There will be enough of that in the coming years with the new administration.

Finally, a disclosure: this paper is not without bias. Whiteboard Advisors wrote this with Capella University. Capella offers its own competency-based education programs and proudly considers them to be good models that can inform both industry norms and public policymaking.

## SETTING THE STAGE

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The growth of competency-based education (CBE) has been remarkable. Just ten years ago, there were only a handful of schools offering CBE programs. Today, there are more than 600 institutions of higher education operating or in the design phase of some form of CBE.<sup>3</sup> This is up from about 52 institutions just two years prior.<sup>4</sup>

These programs share some common features, which the Competency-Based Education Network (C-BEN) provides in their latest description of CBE:

[CBE is] an intentional and transparent approach to curricular design with an academic model in which the time it takes to demonstrate competencies varies and the expectations about learning are held constant. Students acquire and demonstrate their knowledge and skills by engaging in learning exercises, activities and experiences that align with clearly defined programmatic outcomes. Students receive proactive guidance and support from faculty and staff. Learners earn credentials by demonstrating mastery through multiple forms of assessment, often at a personalized pace.<sup>5</sup>

Once you get beyond the design principles, however, the differences overshadow the similarities. CBE is not a singular thing any more than personalized learning is a singular thing.

It is a spectrum of programs – from the traditional to those that are creating new instructional models for higher education. At the traditional end, schools are organizing their programs around competencies, but still measuring progress with clock or credit hours. Excelsior College in Albany, NY, for example, has been providing courses and degrees for in-demand jobs since its inception in 1971. It pioneered online delivery in the 90s, and gives working adults the flexibility they need to complete degrees at their pace (within a reasonable seven-year period). The courses within the program, however, are paced by the traditional academic calendar (each course is typically eight weeks long), and successful completion results in credit hours that build toward the degree’s requirements.

At the non-traditional end of the spectrum are direct assessment schools. These are schools operating a particular kind of CBE program authorized under the Higher Education Act. According to ED, “Student progress in a direct assessment program is measured solely by assessing whether the student can demonstrate that he or she has a command of a specific subject, content area, or skill, or can demonstrate a specific quality associated with the subject matter of the program.”<sup>6</sup> This type of program is a significant break from what ED traditionally requires of schools that accept federal student aid – so much so that ED has only approved six schools to offer such a program. To date, they include Southern New Hampshire University (SNHU), Capella University, University of Wisconsin-Extension, Brandman University, Walden University, and Texas State College System.

The implications of these direct assessment programs for students and institutions are significant. Direct assessment programs allow students to move through material at their pace, without the constraints of traditional course delivery requirements. This means, for example, that a student could get an associate’s degree in 100 days – which could save them a lot of money.<sup>7</sup> Alternatively, a student could also take up to two years to master a writing competency, if necessary. Both scenarios are equally important, according to Southern New Hampshire University President Paul LeBlanc. “When they complete our [direct assessment] program, we know that we can stand behind the claim that they know how to write or have the skills and competencies we say they have. We won’t graduate them until they’ve mastered their competencies. There’s no version of sliding by with 80 percent or even 90 percent.”<sup>8</sup>

The direct assessment model has broad repercussions for higher education. From a course-design point of view, this focus on learning outcomes allows schools to reimagine the delivery of instructional material. “We can blow up the delivery models and be free to try anything that shows itself to work,” says LeBlanc.<sup>9</sup> This is obviously inviting and exciting for new and emerging online learning innovations. But, more significantly, it authorizes schools to truly explore what it means for a program to “work” – to unpack today’s assumptions about instructional delivery



in conjunction with program quality, the value of the degree to a student, and how institutions can adapt to the fast-changing learning needs of students, employers, and a shifting economy. Potential abounds, but even the most innovative models are tethered to risk-averse fiscal policies. Much of ED's job, after all, is to ensure that new programs do not increase the risk of exposing federal student aid to waste, fraud, or abuse.<sup>10</sup> Today, ED relies, in large part, on the credit hour to manage those risks, so it is useful to understand what the credit hour is and just how deep its roots go.

## A BRIEF HISTORY OF THE CREDIT HOUR —

In 2012, New America's Amy Laitinen wrote *Cracking the Credit Hour*, a concise review of the evolution of the oft-derided credit hour. She clarifies how it has taken root in higher education, dating back to the turn of the century, when Andrew Carnegie set out to solve two problems with a "standard unit" of time.<sup>11</sup> The first was figuring out the readiness level of high school applicants. The second was clarifying how much instructional effort professors had to put in to qualify for their pensions. Time was the simple and reasonable constant and, as it turns out, it simplified a slew of other problems as well. For example, what is the effort that a student needs to make to receive a degree? How should that coursework be recorded? What's a manageable way to distribute faculty workload? Time was the practical measure, and it quickly became a favorite solution to schools across the country tackling these matters. Over the years, the "credit hour" became the ubiquitous gauge of instructional quality, student engagement, and more.

The federal government latched on around mid-century. Prior to the Higher Education Act of 1965 (HEA), federal student aid was targeted to specific students, such as veterans, or specific subjects. When Congress passed HEA in 1965, it made student aid generally available for more postsecondary students. Federal aid under HEA started as a benefit for low-income students, but subsequent reauthorizations expanded it to all students. Today, \$150 billion and 13 million students depend on the credit hour, and it has incredible influence on the kinds of programs that a school can offer. For example, student aid can only go to accredited schools that offer programs with class attendance or time-on-instruction requirements over a set academic year. These measures rely on the credit hour.<sup>12</sup> In fact, the measure is so deeply entrenched that even schools that are trying to break free of it have a hard time finding student aid management programs that are not built around the credit hour.<sup>13</sup> According to a 2015 analysis of the issue in *EDUCAUSE Review*, this is a real problem: "CBE growth is in fact stymied, along with its benefits to many of today's students, due a lack of software support."<sup>14</sup>

Nobody confuses the prevalence of the credit hour with a meaningful measure of learning. In fact, policymakers have lamented its central role for decades. Even the Carnegie Foundation now argues that reliance on the credit hour “is an impediment to some of the solutions sought by reformers.”<sup>15</sup> But here is the thing: it is the known and reliable measure that, above all, helps ED mitigate the waste, fraud, and abuse of student aid. This has long been a top priority for the U.S. Department of Education’s Office of Inspector General, and, given the billions of dollars at stake, any departure from this measure is a significant risk for ED. Any replacement or even enhancement must be reliable.<sup>16</sup> Figuring out “how reliable” has been the challenge before Congress and ED.

To address the matter, Congress and ED have been utilizing two primary channels. ED’s Experimental Sites Initiative (ESI) is the one that gets many of today’s headlines. This program allows ED to waive certain financial aid regulations for small-scale experimental projects that explore new ways to use federal aid in innovative program design. Less known is the authority within the Higher Education Act that authorizes ED to select schools to operate direct assessment programs. It is not an exception to the rule; it is a rule that Congress created to support the shift away from the credit hour. The following sections clarify these channels, beginning with direct assessment.

## **DIRECT ASSESSMENT: A NARROW PATH**

In 2005, Congress created a new type of program that could be eligible for federal financial aid, the “direct assessment” program. This new program was a big deal because, for the first time, schools could use a direct assessment of student learning “in lieu of measuring student learning in credit or clock hours.”<sup>17</sup> That is, at least, how ED framed the program, but the details were more complicated.

In developing the program rules, ED sought to balance its responsibility to safeguard federal financial aid with the emerging opportunities of online education. The agency took inspiration from its experience with the 1998 Distance Education Demonstration Program, and, in particular, Western Governors University’s (WGU) participation.<sup>18</sup> WGU offered a program that defined a set of competencies for each degree and developed assessments for students to demonstrate competencies during the program – the premise of today’s CBE. The rules celebrated what WGU was doing and offered schools the opportunity to use a direct assessment “in lieu of measuring student learning in credit or clock hours,” but there were caveats. ED clarified that guardrails applied to the new opportunity, particularly for online programs. They are still in place today:<sup>19</sup>

- **“Regular and substantive” interaction.** All eligible programs must ensure that there is “regular and substantive interaction between students and instructors.”<sup>20</sup> This is in place because it allows ED to distinguish programs that are eligible for student aid from “correspondence” programs, which can only be eligible for federal student aid if less than 50 percent of the coursework is done by correspondence. The requirement left critical questions unanswered. Who is an instructor? A mentor? A credentialed full-time faculty member? The rules did not clarify.
- **Student aid only for learning while the student is enrolled.** Students may only use aid for learning that occurs while enrolled in an eligible program.<sup>21</sup> Federal aid should not pay for learning that happened before that, or for an assessment that gives credit for learning before the student arrived (such as “prior learning” assessments). In other words, the aid is for the student to benefit from the “regular and substantive” interaction.
- **Credit hour equivalencies.** While the program can focus more on the achievement of competencies and less on the delivery of instruction, it still has to equate the length of direct assessment programs to the traditional credit hour.<sup>22</sup> This is in place because, among other reasons, ED still uses the credit hour to gauge the minimum requirements of an “academic year,” which can help ED prevent overpayment and monitor for wasteful practices.
- **An academic progress policy.** ED requires this plan from all programs that benefit from student aid.<sup>23</sup> It describes the pace at which a student should progress through the program and, like the credit hour equivalency, helps ED to monitor for wasteful or fraudulent practices. Because direct assessments are self-paced, it requires another equivalency addressing the normal time to completion.
- **Accrediting agency approval.** Accrediting agencies must approve each direct assessment program before ED provides any approval.<sup>24</sup>

The new direct assessment program may have been inspired by WGU’s work, but the guardrails have made it difficult for schools to create new programs in response to the demands upon them. Schools are under increasing pressure to respond to the skills gap, to offer more competency-based training programs, and to better connect their degrees to local and national industry needs. Many are responding with new programs that take advantage of online learning platforms and a wider range of instructional delivery options. WGU’s model, for example, relies on qualified mentors rather than credentialed professors to guide instruction. This allows WGU to deliver content and support around the needs of working adults – but it also rubs up against the federal financial aid rules, such as the “regular and substantive” interaction requirement.

As written, the guardrails simply do not easily accommodate innovative instructional delivery models. “The fact is that all of the underlying administrative rules are still very confining and tied to the credit hour,” says SNHU President Paul LeBlanc.

That does not mean it cannot be done. Capella University is proof of that. “We have many models that use advisors, faculty, coaches, teaching assistants, and more – but everyone focuses on the success of the students and has visibility into their progress,” observes Capella University President Dr. Richard Senese. “Our models are both compliant and successful.”<sup>25</sup> Capella is, however, only one of six programs that can make that claim. It should be easier.

## EXPERIMENTAL SITES INITIATIVE: WIDENING THE PATH

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Given the limits that apply to direct assessment programs, it is not surprising that the Obama administration trumpeted the Experimental Sites Initiative (ESI) as a way to promote CBE and address the weedy regulations that hamper direct assessment. The ESI is an authority under the Higher Education Act (HEA) that allows the Secretary to waive federal financial aid regulations and operate small policy experiments. In 2014, ED announced the CBE ESI to give CBE schools more room to develop new programs and, in so doing, address some of the restrictions identified in the direct assessment program. More than 50 schools jumped at the opportunity (including some of the schools now operating a fully approved direct assessment program). These schools are working with ED to:

- **Break direct assessment out of its silo.** One experiment allows students to take credit hour classes as well as direct assessment classes in a single CBE program. The purpose is to explore how to use federal student aid in a mixed course environment, which could provide students with more course options.
- **Allow the use of student aid for prior learning assessments.** The second ESI recognizes that prior learning assessments have a place in higher education. Under the HEA, students may only use aid for learning that occurs while enrolled in an eligible program. This experiment loosens that up, allowing student aid to cover reasonable costs associated with prior learning assessments.
- **Provide more flexibility for CBE programs.** Finally, ED invited schools to get into the administrative underbelly of CBE by offering more flexibility in three areas:

- Calculating the “satisfactory academic progress” that is necessary to use federal student aid;
- Defining “instructional time” to allow for more educational activity outside of regularly scheduled learning sessions; and
- Differentiating the timing for disbursement of aid between direct and indirect costs. For example, direct costs may be linked to demonstrated competencies in a direct assessment program. Indirect costs, on the other hand, are typically regular and ongoing costs. A student’s rent payment should not be lumped into a competency-based aid disbursement schedule.<sup>26</sup>

CBE advocates and ED officials are studying these experiments, hoping to learn lessons that will allow Congress to make CBE and direct assessment more mainstream in the next HEA reauthorization. “We want these experiments to clear the brush, so that schools can lead,” said Ted Mitchell, former Under Secretary of Education.<sup>27</sup> “We need to give schools more latitude to design programs with the flexibility to progress through high-quality programs more quickly, and at lower cost.”<sup>28</sup> ESI provides the testing ground for that latitude.

## REFINING QUALITY

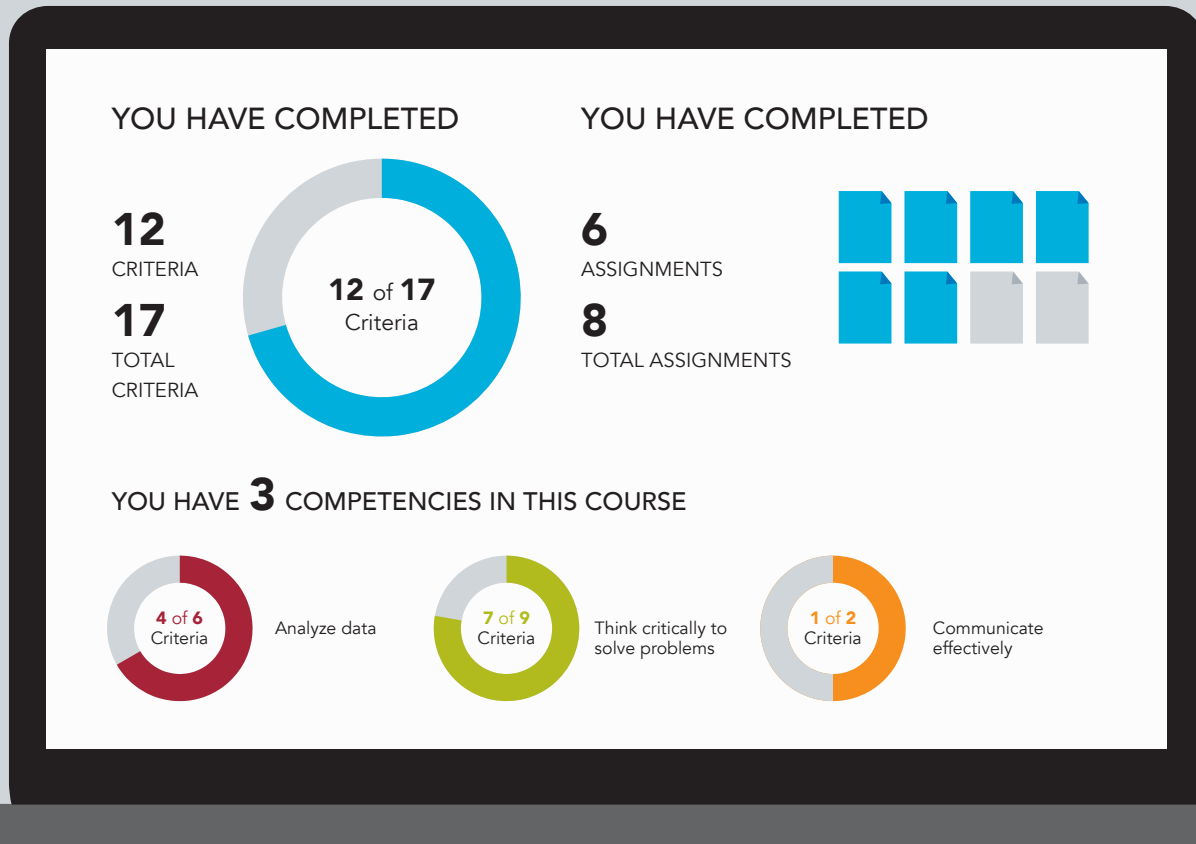
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The two channels for innovation – direct assessment and ESI – are incredibly important. They tend to command much of the policy dialogue around CBE, and it is necessary to understand them, but they must be set in the context of understanding “quality.” This movement is not simply about creating direct assessment programs that can access federal student aid. It is about creating both high-quality CBE programs and direct assessments that, at the minimum, do not pose a risk to federal student aid. There are plenty of reasons to be optimistic about the progress.

On the program side, institutions are demonstrating the many ways to organize instruction around competencies. Capella University’s Competency Map illustrates one approach (see Figure 1). Launched in 2013, the map provides a visual representation of each student’s course progress. It allows students to track assignment completion, their demonstrated course competencies, how they rated in the performance of those competencies, and their overall progress.

The Lumina Foundation’s Degree Qualifications Program (DQP) demonstrates another approach to program design. Launched in 2011, DQP is a rigorous framework for what degree recipients should know and be able to do. It does not standardize the content of particular learning

Figure 1



objectives for degrees, but it does provide a common framework that describes generic forms of student performance appropriate for each degree level (such as bachelor's and master's). Both the Competency Map and DQP are important first efforts at high-quality program design.

Likewise, the development of the meaning of a high-quality direct assessment has been making strides, which is especially noteworthy since the practice does not lend itself to standardization. Different skills and competencies benefit from varying assessments, such as an end-of-course, high stakes test, peer presentation, and more. Finding the right fit is an important part of getting

direct assessment right. “We are still just beginning to understand how to best assess students,” says President LeBlanc. “For us, project-based learning, authentic learning, well-done rubrics, those are all good things. Do I think we would yet pass muster with a real assessment expert? Almost none of higher ed would.” What is certain, however, is that quality assessments certainly involve the input and validation of employers, ensuring that students master the competencies they need to succeed in the workplace. Southern New Hampshire University (SNHU), for example, has just passed the 100-employer partnership mark. These are employers that work with the school to recruit existing students and to give their employees the opportunity to enroll in one of SNHU’s CBE courses to advance their career. The feedback that these partnerships provide to SNHU for the development and validation of the courses and degrees is an essential part of the program.<sup>29</sup>

Getting better research to validate the programs will be essential for direct assessment (and CBE generally) in the coming years. “ED has granted CBE programs flexibility, but this would move faster if schools partnered with third-party researchers to explore and validate their work,” observes Andrew Kelly, the former Director of the Center on Higher Education Reform at the American Enterprise Institute. He explains, “The providers need to stay in front of this.” Kelly’s observation puts a spotlight on the American Institutes for Research (AIR) partnership with some CBE providers, including Capella University. The goal of the work, which has just recently kicked off, is to validate the benefits that CBE programs provide to students. It is, however, difficult to sort out. “There aren’t good points of comparison,” says Matt Soldner, Principal Researcher at AIR. “We have not asked traditional programs to measure learning carefully. To get good points of comparison, we have to look to proxies for quality – such as learning pace, progression, the rate of completion, wage outcomes, and other indicators – and build the research from there. It will take time for a clear picture of quality to emerge.” How long is hard to say. In ten years, what will CBE and direct assessment (or their progeny) look like? What’s the destination?

## TEN YEARS OUT

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David Bergeron, Senior Fellow at the Center for American Progress and the former Acting Assistant Secretary for Postsecondary Education, hopes that “all schools will be doing CBE in 10 years.” The demand for more skills-based hiring informs his viewpoint. “When I ask local employers whether they would hire someone from Harvard or someone from their local university, today, most (when honest) say Harvard,” says Bergeron. “Why? The answer is ‘brand’ – and that’s a bad answer. CBE can deconstruct brand, in favor of learning outcomes and accomplishments. Those are the conversations we should have in 10 years.”<sup>30</sup>

“Direct assessment is shifting our focus,” says Deb Bushway, Higher Education Consultant with Lumina Foundation and former ED Senior Policy Advisor. “Today, we measure quality with program inputs, but we are moving toward programs and services that support demonstrated learning.” The “regular and substantive” debate is a case in point. “It is now about the credentials of the instructor, but that will change,” observes Bushway. “It will be about proactive, relevant, and substantive educational support that leads to demonstrated learning.”<sup>31</sup> When we focus on demonstrated learning, institutions of higher education will be encouraged to explore new instructional models. They will be able to deploy their resources (faculty, staff, aides, etc.) in support of the student in new ways.

If the American Institutes for Research (AIR) succeeds in its research agenda, schools will also be able to rely on evidence that backs the quality of their programs and assessments. From ED’s perspective, that will certainly reduce the specter of student aid fraud, waste, and abuse that now haunts the use of student aid (especially amongst online programs). The progeny of the direct assessment model may even be the favorable option for student lending because they will have what most programs do not: research, clearly articulated competencies, and employer-validated outcomes.

This all sounds rosy, but we are not there yet. Schools and policymakers still have much work to do in the coming years. The final section of the paper lays out what policymakers and practitioners need to prioritize.

## THE TOP ISSUES TO ADDRESS

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According to the opinions of policy experts interviewed for this paper and the experiences of CBE institutions in the field, the following issues are the ones policymakers and practitioners should prioritize in the coming months and years:

- 1. Ensure program quality and encourage responsible scaling** – With the growing interest in developing new CBE programs in higher education, it is increasingly important to preserve high-quality standards. New paths to Title IV funding often have the unintended consequence of creating a race to the bottom; care should be taken to set rigorous standards for quality and the flexibility to innovate.

The answer to this need is not dictating a one-size-fits-all model for what CBE should look like, but instead ensuring there is continuity in expectations for CBE programs across



accrediting bodies. The efficacy of the model can be maintained by assuring that authentic competency assessments are utilized and that faculty remain at the heart of curricular design. Facilitating the conditions for high-quality, rigorous programs to enter the higher education space without reducing standards is important in safeguarding taxpayer funds and protecting students while encouraging innovation.

- 2. Consider new barriers** – Decoupling the credit hour from federal financial aid and pioneering direct assessment programs that balance the demands of accelerated learners with “regular and substantive” requirements were innovations that allowed competency-based programs to come into being. Realizing their potential requires a closer look, with the benefit of time, at emerging issues, such as the definition of an academic year, eliminating academic year length requirements, and providing the funding infrastructure that allows learners to move through their program at their own pace.
- 3. Reimagine the role of faculty** – The shift toward competency starts with faculty.<sup>32</sup> “Regular and substantive” faculty requirements provide an important check to ensure that taxpayer funds are safeguarded and that correspondence education doesn’t get mistaken as a CBE program. In order to preserve flexibility within competency-based programs, however, there needs to be latitude in how “regular” is defined, to allow learners to move at their own pace and on their own schedule through the program. Can institutions maintain substantive faculty interaction without adhering to a rigid weekly schedule of interactions that may not work for working adults?
- 4. Support flexibility** – Ultimately, CBE needs to be freed from the credit hour in order to fully actualize the opportunity it presents within higher education. As this work is underway, policymakers need to also remove barriers that still exist in retrofitting CBE programs into the traditional credit hour model. Examples of these barriers include academic progress measures that rely on a quantitative (time-based) metric, Title IV calculations that are based on seat time, and a traditional understanding of “attendance” within these innovative programs.
- 5. Safeguard taxpayer funds** – Policymakers must work to ensure that taxpayer funds are protected within CBE programs. One way to accomplish this is to ensure that the federal financial aid system is set up to provide Title IV funds to well-researched and validated CBE programs. Another way is to provide institutions with the authority to limit federal loan borrowing. The Department of Education announced an Experimental Site in 2011 to explore limiting unsubsidized loan eligibility; the outcomes of this experiment should be used in crafting a long-term policy change that protects federal funds.

- 6. Prioritize access and affordability** – One of the most problematic issues facing CBE programs is that they operate within a federal financial aid model that is tied to the calendar. This means that even the most motivated learner may face artificial funding barriers that prevent them from moving at their own pace because Title IV funding is allocated on an annual cycle and requires weeks of instructional time. The year-round Pell grant, which provides enough Pell funding for summer courses, is one example of how motivated learners can be encouraged to move more quickly through their program.<sup>33</sup> Similar changes for the federal student loan program should also be considered for quality competency-based education programs, in order to ensure that learners are able to move through their program on a schedule that works for them.
- 7. Showcase the value of CBE within and across higher education** – All modes of education delivery face the challenge of proving value and demonstrating to taxpayers, students, and employers the advantages of investing in higher education. CBE faces this challenge most acutely due to its newness and unique attributes, and policymakers should continue to seek out opportunities to support telling the story of how CBE is meeting the needs of the contemporary student. This includes facilitating opportunities to educate the public on CBE, supporting policy changes as a result of the CBE Experimental Sites, and working with leaders in competency-based education to understand the challenges and opportunities within this mode of education delivery.
- 8. Facilitate connections between higher education and employers** – CBE resonates with learners who have professional aspirations that align with their education goals. The Department of Education and the Department of Labor should work together to determine how to encourage employers to work directly with CBE providers in order to help bridge the skills gap and promote closer working relationships.

## Glossary: What is a/an...

- **Authentic assessment:** An activity or assignment (such as a paper or project) that resembles a real-world work product and is used to demonstrate competency and measure learning. This type of assessment involves both theory and practice, but is rooted in real-world demands and expectations and requires the close engagement of school faculty.
- **Competency:** A competency is an individual skill or piece of knowledge, developed in a transparent way and aligned with academic or industry expectations. Students demonstrate their mastery of competencies through assessments and exercises that are aligned with programmatic outcomes.
- **Competency-based education (CBE):** While there is no definition, the Competency-Based Education Network (C-BEN) does have a very useful description of the practice. “[CBE is] an intentional and transparent approach to curricular design with an academic model in which the time it takes to demonstrate competencies varies, and the expectations about learning are held constant. Students acquire and demonstrate their knowledge and skills by engaging in learning exercises, activities, and experiences that align with clearly defined programmatic outcomes. Students receive proactive guidance and support from faculty and staff.” ED also provides guidance that describes CBE as “an innovative approach to higher education that organizes academic content or delivery according to competencies – what a student knows and can do – rather than following a more traditional scheme, such as by course.”<sup>34</sup>
- **Competency-Based Education Network (C-BEN):** C-BEN is a group of colleges and universities working together to address shared challenges to designing, developing, and scaling competency-based degree programs. C-BEN is currently comprised of 30 colleges and universities and four public systems with 82 campuses.
- **Correspondence course:** A course in which the school provides instructional materials by mail or electronic transmission to students who are separated from the instructor. The interaction between student and instructor is not “regular and substantive” (as distinct from distance learning courses).

- **Credit hour:** The Higher Education Act defines the credit hour in the Code of Federal Regulations at Title 34, Section 600.2. “A credit hour is an amount of work represented in intended learning outcomes and verified by evidence of student achievement that is an institutionally established equivalency” that reasonably approximates not less than three nuanced measures. The three, basically, are: 1) traditional measures that rely on seat and instructional time per week over standard academic terms, 2) demonstrating evidence of achievement that has an equivalency to the traditional time and effort frameworks, or 3) estimating the amount of work done to achieve particular learning outcomes.<sup>35</sup>
- **Direct assessment:** A way for students to demonstrate mastery of competencies that is largely independent of credit hours or number of courses taken. Students show their level of achievement through summative assessments like exams and portfolios, rather than time-based indicators. The U.S. Department of Education still requires that direct assessment programs provide a credit hour equivalency and include regular and substantive faculty interaction.
- **Experimental Sites Initiative:** The Experimental Sites Initiative allows the U.S. Department of Education to test the boundaries of allowable uses of student aid. Congress authorized the Experimental Sites Initiative under the Higher Education Act of 1965. This Initiative tests the effectiveness of statutory and regulatory flexibility for participating institutions disbursing Title IV student aid.
- **“Seat time” requirement:** The prevailing model of academic credentialing. Based on the idea that the number of hours a student spends in a given course can be an accurate (enough) reflection of the student’s mastery of the concepts taught in that course.
- **Prior learning assessment:** A prior learning assessment is an evaluation that grants credit for content or skills that the student has previously mastered.
- **Learning outcome:** The knowledge, skills, abilities, and professional attributes a student demonstrates upon completing a competency, course, degree program, or certificate.<sup>36</sup>

## ENDNOTES

- 1 Obama's Higher Education Policies Are Designed To Increase ... Retrieved July 19, 2016, from <http://www.forbes.com/sites/jeffreydorfman/2015/01/28/obamas-higher-education-policies-are-designed-to-increase-dependence-on-government/>.
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- 7 Whiteboard Advisors Interview with Paul LeBlanc, President of Southern New Hampshire University, June 1, 2016.
- 8 Id.
- 9 (2016). Southern New Hampshire University's Paul LeBlanc Wants Higher Ed ... Retrieved July 13, 2016, from <https://www.edsurge.com/news/2016-07-01-southern-new-hampshire-university-s-paul-leblanc-wants-higher-ed-to-back-up-its-claims>.
- 10 (2014). A07L0001 - Title IV of the Higher Education Act Programs: Additional ... Retrieved July 25, 2016, from <http://www2.ed.gov/about/offices/list/oig/auditreports/fy2014/a07l0001.pdf>.
- 11 Laitinen, A. (2012). *Cracking the Credit Hour*. *New America Foundation*.
- 12 (2012). Policy on Credits and Degrees - Commission on Institutions of Higher ... Retrieved April 28, 2016, from [https://cihe.neasc.org/downloads/POLICIES/Pp111\\_PolicyOnCreditsAndDegrees.pdf](https://cihe.neasc.org/downloads/POLICIES/Pp111_PolicyOnCreditsAndDegrees.pdf).; As an example of a standard for the delivery of instruction consider the “50 50 rule.” The rule prohibits institutions to be eligible for student aid if more than 50 percent of students to participate in correspondence courses. “Correspondence” course are courses where the student pays up front and there is limited or no subsequent meaningful interaction between the student and the instructors. For a good review of quality assurance issues in the Higher Education Act, See, (2015). R43302 Postsecondary Education Issues in the 113th ... Retrieved April 8, 2016, from
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- 14 Mark Leuba, “Competency-Based Education: Technology Challenges and Opportunities,” *Educause Review*, October 12, 2015, <http://er.educause.edu/articles/2015/10/competency-based-education-technology-challenges-and-opportunities>.
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- 18 Wood, P. A. (2001). The US Department of Education and Student Financial Aid for Distance Education: An Update. ERIC Digest.
- 19 See US Department of Education. "IFAP - Dear Colleague Letters: Competency-Based Education Programs- Questions and Answer. Accessed December 19, 2014. <https://ifap.ed.gov/dpcletters/GEN1423.html>.
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- 26 <http://www.edcentral.org/whats-departments-competency-based-experimental-site-notice/>
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- 28 Message from Under Secretary Ted Mitchell on ... - YouTube. Retrieved July 19, 2016, from <https://www.youtube.com/watch?v=EpnXfp2ubUs>.
- 29 See "Become a Partner," College for America, Southern New Hampshire University, <http://go.collegeforamerica.org/partner>, visited July 26, 2016.
- 30 Interview with David Bergeron, April 27, 2016.
- 31 Interview with Deborah Bushway, May 3, 2016. See also Deborah Bushway, "Regular and Substantive Interaction in CBE Programs," paper for participants in the competency-based Education Network (C-BEN), April 2016 (Draft version), at 6.
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- 35 Laitinen, A. (2012). Cracking the Credit Hour - Competency-Based Education ... Retrieved from [http://www.cbenet-work.org/sites/457/uploaded/files/Cracking\\_the\\_Credit\\_Hour\\_Sept5\\_0.pdf](http://www.cbenet-work.org/sites/457/uploaded/files/Cracking_the_Credit_Hour_Sept5_0.pdf).
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