



UNITED STATES DEPARTMENT OF EDUCATION  
OFFICE OF POSTSECONDARY EDUCATION

June 9, 2015

Dear Accrediting Agency Executive Directors:

In recent years, competency-based education (CBE) programs have received a significant amount of attention in the postsecondary education community. To learn more about CBE programs and how they might be supported by changes to the Title IV, HEA student aid programs, the Department of Education is using its authority under its Experimental Sites Initiative (ESI) to provide waivers and modifications to statutory and/or regulatory requirements to allow a limited number of institutions to participate in experiments that will test alternative methods for administering Title IV aid programs for students enrolled in CBE programs.

Because CBE is still an emerging form of postsecondary education, the Department seeks assurance from accrediting agencies regarding the quality of the educational programs that will be included by participating institutions in these experiments. In order for an institution to include an educational program in an experiment, the institution is required to provide documentation to the Department that its accrediting agency has performed some activities to ensure the quality of the institution's approach to CBE. Those specific activities are included and described in the enclosed document.

If you have any questions regarding this letter and instructional document, my staff and I are available, as always, to discuss them with you.

Sincerely,

Herman Bounds Jr. Ed.S  
Director, Accreditation Group

Enclosure

## Role of Accrediting Agencies in Experimental Sites

### Overview

In recent years, competency-based education (CBE) programs have received a significant amount of attention in the postsecondary education community. Competency-based education is an evolving delivery model and while there is not yet any widely agreed upon taxonomy of programs or agreed upon nomenclature, generally, CBE programs have very clear claims for student learning, stress what students *can do* with the knowledge and skills they acquire, and have assessments that provide measurable evidence of competency. Student progress is determined by mastery of each competency.

To learn more about CBE programs and how they might be supported by changes to the Title IV, HEA student aid programs, the Department of Education is using its authority under its Experimental Sites Initiative (ESI) to provide waivers and modifications to statutory and/or regulatory requirements to allow a limited number of institutions to participate in experiments that will test alternative methods for administering Title IV aid programs for students enrolled in CBE programs. These waivers are intended to help institutions more effectively implement CBE programs, while providing the Department with an opportunity to understand the process by which institutions conceive, develop, and operate those programs.

### The Experiments

On July 31, 2014, the Department published a *Federal Register* notice inviting institutions to apply to participate in one or more of four new experiments under the ESI. Two of those experiments, “Competency-Based Education” and “Limited Direct Assessment,” apply specifically to CBE programs.

The Competency-Based Education experiment provides waivers and modifications to the requirements for disbursement of Title IV aid in CBE programs to permit an institution to disburse Title IV aid in two separate “streams”: payments for direct costs (tuition, fees, and books/supplies) and indirect costs (living expenses), since those costs may not occur at the same time. The experiment also waives Return of Title IV aid requirements and modifies satisfactory academic progress rules to better align with CBE programs.

The Limited Direct Assessment experiment provides two different waivers. Under that experiment, institutions may provide Title IV aid to students in a direct assessment program that measures student progress using both direct assessment and credit or clock hours – referred to in this letter as a “hybrid direct assessment program” – and institutions may provide Title IV aid to students for remedial coursework offered using direct assessment.

Because CBE is still an emerging form of postsecondary education, the Department seeks assurance from accrediting agencies regarding the quality of the educational programs that will be included by participating institutions in these experiments.

## The Role of Accrediting Agencies

An accrediting agency is expected to perform some activities to ensure the quality of the institution's approach to CBE before the institution provides Title IV aid to students in the institution's CBE programs. In addition, in order for an institution to include an educational program in either the Competency-Based Education or the Limited Direct Assessment experiment, the institution is required to provide documentation to the Department that its accrediting agency has performed those activities. The documentation required will depend on whether the program is a course/credit CBE program or a direct assessment program.

In general, the Department expects that *the first time an institution offers a CBE program*<sup>1</sup>, the institution's accrediting agency would have performed a substantive change evaluation (which could have occurred during the institution's reaccreditation) of, generally, the institution's design and implementation of CBE programs. Such an evaluation, for purposes of the Competency-Based Education and Limited Direct Assessment experiments, must ensure:

- That the institution's assignment of credit hours or credit hour equivalencies for the competencies in its CBE programs conforms with general practice in higher education; and
- That the institution is devoting sufficient faculty and other resources to its CBE programs and to the students enrolled in those programs, and that the program includes policies and procedures for meeting the requirement for "regular and substantive interaction" between students and instructors.

For purposes of these experiments, there are two important considerations for accrediting agencies to consider regarding the "regular and substantive interaction" requirements:

- Students must have access to qualified faculty; and
- Programs must be designed to ensure regular and substantive interaction between students and those faculty members.

Access to qualified faculty: Qualified means that the faculty possesses the appropriate academic credentials and experience in the applicable knowledge domain, as determined by the accrediting agency. This faculty access must be available to students who are struggling to master learning materials or objectives or for any reason when the student wants to interact with a faculty member (e.g. seeking explanation of feedback on an assessment or assignment, career advice, desire for more information on a topic). Learning coaches, online tutoring, and other support can be offered and used

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<sup>1</sup> The Department does not expect agencies to retroactively conduct full substantive change evaluations for previously-approved CBE programs, but does expect, for purposes of the ESI, that institutions provide agency documentation that the aspects of the program discussed in this guidance have been reviewed.

and may even account for the majority of students' support (and success), but programs must, as discussed above, include access to an academically qualified faculty member at least when students need or want it.

If a faculty member is not the primary monitor of student engagement with learning (as in traditional instructional models), the institution must have some combination of staffing and systems to monitor student engagement, level of performance, and to provide proactive support. It is incumbent on the institution to demonstrate that students are not left "to educate themselves," a chief characteristic of correspondence programs.

Program design: The term "regular" means periodic and can be broadly interpreted, but should be understood as predictable regularity and built into program design. Recognizing that most (though not all) CBE programs are self-paced at least to some extent, predicted regularity can be "event" driven and include, but is not limited to, completion of certain key competencies, a percentage of competencies, or the submission of assessments. While individual students may elect not to initiate contact with qualified faculty, program design must include periodic contact by qualified faculty with the students. Those contacts could be made through the use of email or other social media, but must create the opportunity for substantive interaction.

The term "substantive" can also be broadly interpreted, but refers to interaction, or the opportunity for interaction, with a student that is relevant to the academic subject matter in which the student is engaged. Substantive interaction could include, but is not limited to, direct instruction, substantive feedback to assessments, or, as described above, contacts with students that create the opportunity for relevant discussion of academic subject matter.

Assessment is an important part of the educational equation in all instances, but takes on particular importance in outcomes-focused programs like CBE. The statutory language pertaining to "regular and substantive interaction" does not require that faculty administer and/or grade all assignments, though faculty feedback on student assignments may be a very effective form of substantive interaction. Some assessments might be exam-based and machine graded, but those forms of assessment would not be considered substantive interaction. Traditional higher education has long used teaching assistants, such as graduate students within the discipline, to assess and grade student work, and this is acceptable in CBE programs. We would note, however, that accrediting agencies have long asserted a faculty role in designing assessment and an ongoing role in monitoring the efficacy of those assessments and making improvements when necessary. This might occur as a result of periodic reviews of assessment, occasional auditing or sampling of completed assessments and grading, or some other form of monitoring that satisfies the accrediting agency that faculty are appropriately involved in ensuring the efficacy of assessments.

The remaining actions required to be performed by institutions' accrediting agencies for the ESI are program-specific, and differ depending on whether the program under consideration is a course/credit CBE program or a direct assessment program.

### Course/Credit CBE Programs

For the ESI, an agency must include a course/credit CBE program in the institution's grant of accreditation and must specifically recognize the educational program as a CBE program. For the ESI, there is no requirement for a site visit, nor is a full substantive change evaluation of each individual CBE program required as long as the agency has already approved at least one CBE program for the institution. The "recognition" requirement could be fulfilled by a substantive change evaluation that included a review of the CBE program, or if the CBE program was specifically included in the agency's last renewal of accreditation. CBE program recognition could involve a staff-level paper review process.

### Direct Assessment Programs

For the ESI, an agency must specifically approve programs that are offered wholly through direct assessment or "hybrid" direct assessment programs where 50% or more of the program can be completed via direct assessment. For these programs, the agency must also review and approve the institution's claim of each program's equivalence in terms of credit or clock hours. The requirements for documentation of these reviews are described in detail in Dear Colleague Letter GEN 13-10. The Department expects the agency to conduct a substantive change evaluation for these programs.

Hybrid direct assessment programs where less than 50% of the program can be completed using direct assessment must be included in an institution's overall grant of accreditation. Such programs must be specifically recognized as CBE programs, and an agency must have evaluated and approved the institution's general approach for determining the equivalence of the institution's direct assessment coursework and credit or clock hours. There is no requirement for a site visit or a full substantive change evaluation of each individual hybrid direct assessment program in which less than 50% of the program can be completed using direct assessment.

### 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 its general approach to CBE.

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 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