

# Competency-Based Education

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May 30, 2017

## Overview

Competency-based education (CBE) is a form of higher education that focuses directly on student learning outcomes. In CBE programs, students must demonstrate what they know in real-world settings. However, the current statutes governing Title IV federal financial aid do not recognize key features of competency-based education, meaning that CBE programs are regulated using the exact same rules and legislation of traditional classroom- and semester-based education. The result makes it extremely challenging for institutions to award aid to students in CBE programs, leaving many students with the most need unable to pursue an education. Only regulatory and legislative action will remedy this situation. The Higher Education Act must include a definition of competency-based education. Associated regulations must be developed to support educational innovations that allow students to take advantage of the opportunities afforded by CBE programs.

## Legislative Action

### Competency-Based Education Definition

Progress toward a CBE degree or certificate does not only reflect time spent in the classroom, as measured by the credit hour. Instead, students progress toward their degrees when they demonstrate mastery over pre-specified knowledge, skills, and abilities, i.e., competencies. Students can take as long, or as little, time as they need to demonstrate mastery. Competencies can be field specific, such as in accounting, or they can be foundational, or part of general education, such as skills required for reasoning, communication, and problem solving. In CBE programs, demonstrating mastery over competencies means applying knowledge, skills, and abilities in real-world settings. Students learn and are guided within a structured educational curriculum, receiving support within an integrated environment of instructors and resources.

**Recommendation:** The U.S. Congress should insert a clear definition of “competency-based education” in the Higher Education Act. Competencies are defined by the U.S. Office of Personnel Management, 2014, p. 4, as some combination of “knowledge, skills, abilities, behaviors, and other characteristics that an individual needs to perform work roles or occupational functions successfully.”

The Competency-Based Education Network (C-BEN), representing more than 40 colleges and universities, describes “Competency-Based Education” as follows:

“Competency-based education combines 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.”

## Accreditation

Institutional accreditors, which accredit all aspects of an institution’s programming and operations, fall into two groups: regional accreditors, which accredit postsecondary institutions located within a specific geographic area, and national accreditors, which accredit institutions throughout the United States but focus on institutions of a particular mission or type (for example, online institutions, faith-based organizations, or institutions that offer a specific form of professional or career education).

Complementing these institutional accreditors is a wide range of programmatic accreditors that accredit specific programs offered by institutions. Accreditor review processes are designed to evaluate an extraordinary range of institutions and academic offerings. Competency-based education programming, however, has presented difficulties given its extreme departure from traditional postsecondary models.

To meet workforce and non-traditional student demands, new competency-based education models are emerging that significantly differ from traditional programs and thus challenge accreditors to manage their approval efficiently and consistently.

**Recommendation:** In an effort to bring increased clarity and consistency to the accreditation processes, the Higher Education Act reauthorization should require an accreditation process with a competency-based education focus through existing accreditors – including a CBE-appropriate accreditation timeline and sequence and evaluated by CBE experts. This would augment the request for definitions and standards into a more structured and clear roadmap for schools. It also provides a basis for continuous improvement in the definitions and standards.

## Federal Student Aid for CBE

As stated above, the major differences between CBE and traditional course credit- and semester-based education is that student learning is decoupled from time, making the credit hour a bad proxy for student learning. Therefore, it is difficult (at best) to evaluate CBE programs using Title IV regulations that rely on the credit hour to disburse aid and assess educational quality.

**Recommendation:** Rather than tie aid disbursement to the credit hour, allow disbursal of aid for CBE programs that provide flexible periods of instruction and learning.

Only a statutory change will allow financial aid to be awarded to students in CBE programs without having to review those programs through time-based standards, such as the credit hour. Thus, Congress should consider changes to the federal statute governing federal student aid based directly on the educational model used by CBE programs.

**Recommendation:** Disburse an initial sum of aid to allow aid-eligible CBE students to begin a program. After that, the amount of financial aid disbursed in a given period of time should be based on successful demonstration of mastery of a specified percentage of the program during that same period of time, and as governed by Satisfactory Academic Progress.

Satisfactory Academic Progress (SAP) will be interpreted relative to the percentage of curriculum completed rather than relative to a pre-prescribed period of time (such as a semester or term). It is recommended that the Department of Education be directed to establish minimum levels of a student's academic progress for institutions engaged in the delivery of CBE programs to be eligible for participation in Title IV programming as a tool to prevent financial aid fraud.

For example, a typical CBE baccalaureate degree can be divided into eight, six-month segments. Under this recommendation, a student must master one-eighth of the curriculum to qualify for the next disbursement of aid. If it takes a student longer than six months to demonstrate mastery, disbursement would happen only after mastery is demonstrated.

Satisfactory Academic Progress would apply commensurate to the above. In other words, SAP will be interpreted relative to the percentage of curriculum completed. Using the example above, if a full-time student completes one-eighth of the curriculum within 6 months, he or she will have made Satisfactory Academic Progress.

Additional examples:

- Half-time status would be interpreted relative to the same criteria as above. For example, a half-time student must complete one-sixteenth of the curriculum in six months.
- If a CBE program were organized in 3-month periods vs. 6 months (as in the above example), the same process would be applied: full-time students would be eligible to receive one-sixteenth of their aid as they demonstrate mastery over curriculum within each 3-month period of enrollment.

Financial aid loans may be offered to such students prospectively based upon need and a clear program of planned studies in pursuit of such competencies. Such loan aid shall be distributed according to the same percentages of the curriculum as determined by the institution (as in the examples above).

## Criteria for CBE Degree Programs to Qualify to Award Federal Financial Aid

Changing federal student aid laws and regulations to fully support students enrolled in CBE programs is critical. It is also critical that new approaches to federal student aid are established to ensure the integrity of the federal financial aid system and provide the Administration, Congress, and U.S. taxpayers with the oversight and accountability they need.

**Recommendation:** The following standards must be met for an institution to be eligible to award federal financial aid:

1. The institution must be accredited by its accreditor and be in good standing for federal financial aid. The institution's accreditor has approved the institution to deliver competency-based programs.
  - a. In approving the institution, the accreditor has reviewed and accepted the institution's model for curricular development and integrity, including assessment of outcomes, the role of faculty in the curriculum, and the institution's comprehensive support of its students.
  - b. The institution must be able to show that degree/program outcomes are equivalent to the skills and knowledge expected in the relevant certificate or degree program.
  - c. Students must meet the learning outcomes of the programs for which they are registered.
2. The institution must show evidence that its educational environment contributes to student learning outcomes, including evidence of curricular integrity.

Student learning outcomes will be measured through:

1. Demonstrated mastery of the skills, knowledge, and ability identified in the program competencies.
2. Clear evidence demonstrating that outcomes are equivalent to or in line with industry and/or professional standards, or standards identified by the appropriate academic professional organization.

The institution of higher education must demonstrate that it directly contributes to student learning. Contributions include:

1. Curricular content and structure.
2. Assessment and feedback.
3. Interactions, engagements, and activities.

## Establishment of a Committee on CBE

Recognizing the ongoing innovation and growth of competency-based education, a committee should be established (including appointments by the Secretary of Education, Comptroller General of the United States, accrediting agencies or associations that recognize CBE programs, and individuals appointed by the U.S. Senate and U.S. House of Representatives), to provide recommendations for future reauthorizations of the Higher Education Act regarding CBE, including additional metrics for measuring CBE degree programs.

**Recommendation:** The U.S. Department of Education, with accreditors, shall establish a CBE Advisory Committee to assist in defining, structuring, and updating the standards to ensure consistent use of the terms and definitions and consistent disbursement of federal financial aid for CBE programs.

## Regulatory Action

### Updated Process for “Regular and Substantive Interaction”

Because of past abuses of federal financial aid by unscrupulous providers, regulations were rightly developed to safeguard taxpayers. The regulations focus on “regular and substantive interactions” between students and faculty. Regular and substantive interactions are narrowly interpreted as faculty-initiated, periodic (typically weekly) interactions between faculty and students. Even though this definition of student-faculty interaction is recognized as a poor proxy for actual student learning, it has provided a reasonable firewall to prohibit passive correspondence and online programs from awarding (and abusing) federal aid. However, this definition also prohibits the awarding of aid by well-designed and quality CBE programs that are built on new models of learning and adaptive pedagogies that support student learning.

**Recommendation:** The U.S. Department of Education should change the regulation in such a way that it focuses more directly on regular and substantive interactions that directly impact student learning outcomes, while continuing to protect taxpayers from fraud. New models of learning, new roles for a variety of educators, and adaptive pedagogies that all support student learning should be recognized in new regulations.