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Advancing Competency-Based Education Act of 2017

Section 1. Short Title.

This Act may be cited as the “Advancing Competency-Based Education of 2017”

Section 2. Competency-Based Education Demonstration Projects.

Creates a new section in the Higher Education Act (HEA) of 1965 (i.e., Section 486B – Competency-Based Education Demonstration Projects) to allow for the voluntary implementation of competency-based education demonstration projects at institutions of higher education. This section outlines application contents, the role of accreditors, selection criteria, regulatory waivers and flexibility that the institution of higher education may request, data collection and evaluation, responsibility of the Secretary of Education to provide oversight, and other important components for a successful implementation of the demonstration projects.

- (a) Demonstration Projects Authorized – Authorizes the Secretary of Education to select eligible entities to voluntarily implement competency-based education demonstration projects.
- (b) Application – Eligible entities must include a description of the competency-based education to be offered including information on its students, academic delivery, business, and financial model. The application must also explain how the program will facilitate student achievement of competencies, align the competencies with workforce needs, lead to strong earnings and loan repayment rates, and result in lower costs or shorter time to degree completion. Other information is also requested.
- (c) Recognition by Accrediting Agency or Association – Entities seeking to be part of the demonstration project must ensure its accreditor will review and evaluate the program based on standards outlined in this subsection. Accreditors must create standards for determining when to deny, withdraw, suspend, or terminate a program’s accreditation.
- (d) Selection – The Secretary of Education will select up to 100 eligible entities, prioritizing programs that are committed to program evaluation, have a history of complying with federal higher education laws and regulations, and commit to working with the Secretary and Director of the Institute of Education Sciences to evaluate the demonstration project. The Secretary of Education will ensure selection of programs that represent a diverse group of eligible entities, will not limit the types of programs approved, and will not select entities with high cohort default rates.
- (e) Waivers and Other Flexibility – The Secretary of Education may waive or provide flexibility from statutory and regulatory requirements for eligible entities selected to carry out a demonstration project if those requirements would hinder the operation of the project.
- (f) Notification – The Secretary of Education must provide the authorizing Congressional committees and the public a list of the eligible entities selected within nine months of enactment.
- (g) Information and Evaluation – To allow the Institute of Education Sciences and the Department of Education to evaluate demonstration projects annually, each eligible entity must provide student-level data that provide insight about access, affordability, completion, and post-completion outcomes. The

Institute of Education Sciences must disaggregate the data by student characteristics and demographics. To allow the Institute of Education Sciences to rigorously compare the success of similar students in other programs, eligible entities must submit data on students in the demonstration program, students participating in a competency-based education program outside of the demonstration project, and other students attending the institution. The Institute of Education Sciences in consultation with the Secretary of Education will provide an annual report to the authorizing Congressional committees detailing the results of the evaluation.

- (h) Oversight – The Secretary of Education will assure compliance of eligible entities, provide technical assistance, monitor changes in student populations enrolled at the eligible entities, work with accrediting agencies and State regulatory authorities on ways to improve competency-based education implementation, and share best practices with other competency-based education programs.
- (i) Data Privacy – It is unlawful for any person with access to personally identifiable information to share that information with any unauthorized person. Those in violation of this section will be fined or in the case of federal employees, be dismissed. Sale of data is prohibited. The data cannot be shared with federal agencies not explicitly authorized and cannot be used for law enforcement activity.
- (j) Funding – \$5,000,000 shall be available to carry out this Act.
- (k) Definitions – Defines the term “competency-based education” as a program that provides competency-based education for which an institution of higher education’s accreditor has established or will establish standards described in this Act and in accordance with certain standards outlined in this subsection. This subsection also defines “eligible entity” as an institution of higher education defined in section 102 of the HEA, and may include dual or concurrent enrollment programs. Further, this subsection includes an exception to the student unit record ban currently in the HEA.

Section 3. Competency-Based Education Council.

This section establishes a council to study the ongoing innovation and growth of competency-based education. The council will be made up of individuals appointed by the Secretary of Education, the Director of the Consumer Financial Protection Bureau, and both political parties in Congress. The Comptroller General will also appoint experts in competency-based education; faculty, administrators, and students from competency-based education programs; and representatives from accrediting agencies and state education agencies.

The council is charged with developing a report no later than six years after the enactment of this law with recommendations to address any necessary changes or updates to the definition of competency-based education, the amount of learning in a competency unit, the transfer of competency units, the minimum amount of time in an academic year, considerations for accrediting agencies, and additional resources that may be needed for adequate oversight of competency-based education.