

**AMENDMENT TO THE AMENDMENT IN THE
NATURE OF A SUBSTITUTE
OFFERED BY MR. GROTHMAN OF WISCONSIN**

In section 103 of the Higher Education Act of 1965,
as proposed to be amended by section 1002(3), add at
the end the following:

1 “(29) COMPETENCY-BASED EDUCATION; COM-
2 PETENCY-BASED EDUCATION PROGRAM.—

3 “(A) COMPETENCY-BASED EDUCATION.—

4 Except as otherwise provided, the term ‘com-
5 petency-based education’ means education
6 that—

7 “(i) measures academic progress and
8 attainment—

9 “(I) by direct assessment of a
10 student’s level of mastery of com-
11 petencies;

12 “(II) by expressing a student’s
13 level of mastery of competencies in
14 terms of equivalent credit or clock
15 hours; or

1 “(III) by a combination of the
2 methods described in subclauses (I) or
3 (II) and credit or clock hours; and

4 “(ii) provides the educational content,
5 activities, and resources, including sub-
6 stantive instructional interaction, including
7 by faculty, and regular support by the in-
8 stitution, necessary to enable students to
9 learn or develop what is required to dem-
10 onstrate and attain mastery of such com-
11 petencies, as assessed by the accrediting
12 agency or association of the institution of
13 higher education.

14 “(B) COMPETENCY-BASED EDUCATION
15 PROGRAM.—Except as otherwise provided, the
16 term ‘competency-based education program’
17 means a postsecondary program offered by an
18 institution of higher education that—

19 “(i) provides competency-based edu-
20 cation, which upon a student’s demonstra-
21 tion or mastery of a set of competencies
22 identified and required by the institution,
23 leads to or results in the award of a certifi-
24 cate, degree, or other recognized edu-
25 cational credential;

1 “(ii) ensures title IV funds may be
2 used only for learning that results from in-
3 struction provided, or overseen, by the in-
4 stitution, not for the portion of the pro-
5 gram of which the student has dem-
6 onstrated mastery prior to enrollment in
7 the program or tests of learning that are
8 not associated with educational activities
9 overseen by the institution; and

10 “(iii) is organized in such a manner
11 that an institution can determine, based on
12 the method of measurement selected by the
13 institution under subparagraph (A)(i),
14 what constitutes a full-time, three-quarter
15 time, half-time, and less than half-time
16 workload for the purposes of awarding and
17 administering assistance under title IV of
18 this Act, or assistance provided under an-
19 other provision of Federal law to attend an
20 institution of higher education.

21 “(C) COMPETENCY DEFINED.—In this
22 paragraph, the term ‘competency’ means the
23 knowledge, skill, or ability demonstrated by a
24 student in a subject area.”.

In section 4601—

(1) redesignate subsections (a) and (b) as subsections (b) and (c), respectively; and

(2) insert before subsection (b), as so redesignated, the following:

1 (a) DEFINITION OF ACADEMIC YEAR.—Section
2 481(a) of the Higher Education Act of 1965 (20 U.S.C.
3 1088(a)) is amended by adding at the end the following:

4 “(3)(A) For the purpose of a competency-based
5 education program the term ‘academic year’ shall be
6 the published measured period established by the in-
7 stitution of higher education that is necessary for a
8 student with a normal full-time workload for the
9 course of study the student is pursuing (as meas-
10 ured using the value of competencies or sets of com-
11 petencies required by such institution and approved
12 by such institution’s accrediting agency or associa-
13 tion) to earn—

14 “(i) one-quarter of a bachelor’s degree;

15 “(ii) one-half of an associate’s degree; or

16 “(iii) with respect to a non-degree or grad-
17 uate program, the equivalent of a period de-
18 scribed in clause (i) or (ii).

19 “(B)(i) A competency-based education program
20 that is not a term-based program may be treated as
21 a term-based program for purposes of establishing

1 payment periods for disbursement of loans and
2 grants under this title if—

3 “(I) the institution of higher education
4 that offers such program charges a flat sub-
5 scription fee for access to instruction during a
6 period determined by the institution; and

7 “(II) the institution is able to determine
8 the competencies a student is expected to dem-
9 onstrate for such subscription period.

10 “(ii) Clause (i) shall apply even in a case in
11 which instruction or other work with respect to a
12 competency that is expected to be attributable to a
13 subscription period begins prior to such subscription
14 period.

15 “(iii) In a case in which a competency-based
16 education program offered by an institution of high-
17 er education is treated as a term-based program
18 under clause (i), the institution shall review the aca-
19 demic progress of each student enrolled in such pro-
20 gram in accordance with section 484(c), except that
21 such review shall occur at the end of each payment
22 period.”.

Strike section 4601(b)(3), as so redesignated, and
insert the following:

1 (3) by striking paragraph (4) and inserting the
2 following:

3 “(4) For purposes of this title, the term ‘eligi-
4 ble program’ includes a competency-based program
5 that—

6 “(A) has been evaluated and approved by
7 an accrediting agency or association that—

8 “(i) is recognized by the Secretary
9 under subpart 2 of part H; and

10 “(ii) has evaluation of competency-
11 based education programs within the scope
12 of its recognition in accordance with sec-
13 tion 496(a)(4)(C); or

14 “(B) as of the day before the date of en-
15 actment of the College Affordability Act, met
16 the requirements of a direct assessment pro-
17 gram under section 481(b)(4) (as such section
18 was in effect on the day before such date of en-
19 actment).”.

In section 4604, redesignate subsections (b) through
(f) as subsections (c) through (g), respectively, and insert
after subsection (a) the following:

20 (b) STUDENT ELIGIBILITY.—Section 484 of the
21 Higher Education Act of 1965 (20 U.S.C. 1091) is
22 amended—

1 (1) in subsection (b), by adding at the end the
2 following:

3 “(6) For purposes of competency-based edu-
4 cation, in order to be eligible to receive any loan
5 under this title for an award year, a student may be
6 enrolled in coursework attributable only to 2 aca-
7 demic years within the award year.”; and

8 (2) in subsection (c)—

9 (A) in paragraph (1)—

10 (i) in subparagraph (B)—

11 (I) by striking “the student has a
12 cumulative” and inserting the fol-
13 lowing: “the student has—”

14 “(i) a cumulative;”;

15 (II) by striking “the second” and
16 inserting “each”;

17 (III) by striking the period at the
18 end and inserting “; or”; and

19 (IV) by adding at the end the fol-
20 lowing:

21 “(ii) for the purposes of competency-
22 based programs, a non-grade equivalent
23 demonstration of academic standing con-
24 sistent with the requirements for gradua-
25 tion, as determined by the institution, at

1 the end of each such academic year; and”;

2 and

3 (ii) by adding at the end the fol-
4 lowing:

5 “(C) the student maintains a pace in his
6 or her educational program that—

7 “(i) ensures that the student com-
8 pletes the program within the maximum
9 timeframe; and

10 “(ii) is measured by a method deter-
11 mined by the institution which may be
12 based on credit hours, clock hours, or com-
13 petencies completed.”;

14 (B) in paragraph (2), by striking “grading
15 period” and inserting “evaluation period”; and

16 (C) by adding at the end the following:

17 “(4) For purposes of this subsection, the term
18 ‘maximum timeframe’ means—

19 “(A) with respect to an undergraduate pro-
20 gram measured in credit hours, a period that is
21 no longer than 150 percent of the published
22 length of the educational program, as measured
23 in credit hours;

24 “(B) with respect to an undergraduate
25 program measured in competencies, a period

1 that is no longer than 150 percent of the pub-
2 lished length of the educational program, as
3 measured in competencies;

4 “(C) with respect to an undergraduate pro-
5 gram measured in clock hours, a period that is
6 no longer than 150 percent of the published
7 length of the educational program, as measured
8 by the cumulative number of clock hours the
9 student is required to complete and expressed
10 in calendar time; and

11 “(D) with respect to a graduate program,
12 a period defined by the institution that is based
13 on the length of the educational program.”.

After section 4713, insert the following:

14 **SEC. 4714. RECOGNITION OF ACCREDITING AGENCY OR AS-**
15 **SOCIATION.**

16 Section 496 of the Higher Education Act of 1965 (20
17 U.S.C. 1099b) is further amended—

18 (1) in subsection (a)(4)—

19 (A) by striking subparagraph (B) and in-
20 serting the following:

21 “(B) such agency or association dem-
22 onstrates the ability to review, evaluate, and as-
23 sess the quality of any instruction delivery
24 model or method such agency or association has

1 or seeks to include within its scope of recogni-
2 tion, without giving preference to or differen-
3 tially treating a particular instruction delivery
4 model or method offered by an institution of
5 higher education or program except that, in a
6 case in which the instruction delivery model al-
7 lows for the separation of the student from the
8 instructor—

9 “(i) the agency or association requires
10 the institution to have processes through
11 which the institution establishes that the
12 student who registers in a course or pro-
13 gram is the same student who participates
14 in, including, to the extent practicable,
15 testing or other assessment, and completes
16 the program and receives the academic
17 credit; and

18 “(ii) the agency or association re-
19 quires that any process used by an institu-
20 tion to comply with the requirement under
21 clause (i) does not infringe upon student
22 privacy and is implemented in a manner
23 that is minimally burdensome to the stu-
24 dent;” and

25 (B) by adding at the end the following:

1 “(E) if such an agency or association eval-
2 uates or assesses the quality of competency-
3 based education programs, the agency’s or asso-
4 ciation’s evaluation or assessment—

5 “(i) shall address effectively the qual-
6 ity of an institution’s competency-based
7 education programs as set forth in para-
8 graph (5), except that the agency or asso-
9 ciation is not required to have separate
10 standards, procedures, or policies for the
11 evaluation of competency-based education;

12 “(ii) shall establish whether an insti-
13 tution has demonstrated that its program
14 satisfies the definitions in section 103(25);
15 and

16 “(iii) shall establish whether an insti-
17 tution has demonstrated that it has de-
18 fined an academic year for a competency-
19 based program in accordance with section
20 481(a)(3).”;

21 (2) in subsection (c)(1), by inserting “or com-
22 petency-based education” after “distance education”;

23 (3) in subsection (n)(3), by inserting “, or com-
24 petency-based education programs,” after each oc-

1 currence of “distance education courses or pro-
2 grams”; and

3 (4) by adding at the end the following:

4 “(u) WAIVER.—The Secretary shall establish a pro-
5 cess through which an agency or association may seek to
6 have a requirement of this subpart waived, if such agency
7 or association—

8 “(1) demonstrates that such waiver is necessary
9 to enable an institution of higher education or pro-
10 gram accredited by the agency or association to im-
11 plement innovative practices intended to—

12 “(A) reduce administrative burdens to the
13 institution or program without creating costs
14 for the taxpayer; or

15 “(B) improve the delivery of services to
16 students, improve instruction or learning out-
17 comes, or otherwise benefit students; and

18 “(2) describes the terms and conditions that
19 will be placed upon the program or institution to en-
20 sure academic integrity and quality.”.

Strike sections 4615 and 4616.

