

116TH CONGRESS
1ST SESSION

H. R. 4706

To amend the Higher Education Act of 1965 to authorize competency-based education demonstration projects.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 16, 2019

Mr. NEGUSE introduced the following bill; which was referred to the Committee on Education and Labor

A BILL

To amend the Higher Education Act of 1965 to authorize competency-based education demonstration projects.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Advancing Com-
5 petency-Based Education Act of 2019”.

6 **SEC. 2. COMPETENCY-BASED EDUCATION DEMONSTRATION**
7 **PROJECTS.**

8 (a) PROJECTS.—Part G of title IV of the Higher
9 Education Act of 1965 (20 U.S.C. 1088 et seq.) is amend-
10 ed by inserting after section 486A the following:

1 **“SEC. 486B. COMPETENCY-BASED EDUCATION DEMONSTRA-**
2 **TION PROJECTS.**

3 “(a) DEMONSTRATION PROJECTS AUTHORIZED.—
4 The Secretary shall select, in accordance with subsection
5 (d), eligible entities to voluntarily carry out competency-
6 based education demonstration projects for a duration of
7 5 years and receive waivers or other flexibility described
8 in subsection (e) to carry out such projects.

9 “(b) APPLICATION.—

10 “(1) IN GENERAL.—Each eligible entity desir-
11 ing to carry out a demonstration project under this
12 section shall submit an application to the Secretary,
13 at such time and in such manner as the Secretary
14 may require.

15 “(2) OUTREACH.—

16 “(A) IN GENERAL.—The Secretary shall,
17 prior to any deadline to submit applications
18 under paragraph (1), conduct outreach to insti-
19 tutions, including those described in subpara-
20 graph (B) to provide those institutions with in-
21 formation on the opportunity to apply to carry
22 out a demonstration project under this section.

23 “(B) INSTITUTIONS.—The institutions de-
24 scribed in this subparagraph are the following:

25 “(i) Part B institutions (as defined in
26 section 322).

1 “(ii) Hispanic-serving institutions (as
2 defined in section 502).

3 “(iii) Tribal Colleges or Universities
4 (as defined in section 316).

5 “(iv) Alaska Native-serving institu-
6 tions (as defined in section 317(b)).

7 “(v) Native Hawaiian-serving institu-
8 tions (as defined in section 317(b)).

9 “(vi) Predominantly Black Institu-
10 tions (as defined in section 318).

11 “(vii) Asian American and Native
12 American Pacific Islander-serving institu-
13 tions (as defined in section 320(b)).

14 “(viii) Native American-serving, non-
15 tribal institutions (as defined in section
16 319).

17 “(ix) Institutions predominately serv-
18 ing adult learners.

19 “(x) Institutions serving students with
20 special needs.

21 “(xi) Institutions located in rural
22 areas.

23 “(3) AMENDMENTS.—

24 “(A) IN GENERAL.—An eligible entity that
25 has been selected to carry out a demonstration

1 project under this section may submit to the
2 Secretary amendments to the eligible entity's
3 approved application under paragraph (1), at
4 such time and in such manner as the Secretary
5 may require, which the Secretary shall approve
6 or deny within 30 days of receipt.

7 “(B) EXPANDING ENROLLMENT.—Not-
8 withstanding the assurance required with re-
9 spect to maximum enrollment under paragraph
10 (4)(N)—

11 “(i) an eligible entity whose dem-
12 onstration project has been evaluated
13 under subsection (g)(2) not less than
14 twice, may submit to the Secretary an
15 amendment to the eligible entity's applica-
16 tion under paragraph (1) to increase en-
17 rollment in the project to more than 3,000
18 students, but not more than 5,000 stu-
19 dents, and which shall specify—

20 “(I) the proposed maximum en-
21 rollment and annual enrollment
22 growth for the project;

23 “(II) how the eligible entity will
24 successfully carry out the project with

1 such maximum enrollment and enroll-
2 ment growth; and

3 “(III) any other amendments to
4 the eligible entity’s application under
5 paragraph (1) that are related to such
6 maximum enrollment or enrollment
7 growth; and

8 “(ii) the Secretary shall determine
9 whether to approve or deny an amendment
10 submitted under clause (i) for a dem-
11 onstration project based on the project’s
12 evaluations under subsection (g)(2).

13 “(4) CONTENTS.—Each application under para-
14 graph (1) shall include—

15 “(A) a description of each competency-
16 based education program to be offered by the
17 eligible entity under the demonstration project;

18 “(B) a description of the alignment of the
19 proposed competency-based education program
20 to the institution’s mission, and evidence of in-
21 stitutional commitment to such program;

22 “(C) a description of how each program
23 will work with employers and local industry to
24 assess and incorporate competencies that are

1 relevant in the labor market and how the pro-
2 gram aligns with employer needs;

3 “(D) a description of the proposed aca-
4 demic design, academic and support services,
5 delivery, business, and financial models for the
6 demonstration project, including explanations
7 and supporting documents, including financial
8 statements, and, any revenue-sharing agree-
9 ments with third-party servicers or online pro-
10 gram managers, of how each competency-based
11 education program offered under the dem-
12 onstration project will—

13 “(i) result in the achievement of com-
14 petencies;

15 “(ii) differ from standard credit hour
16 approaches, in whole or in part; and

17 “(iii) result in lower costs or short-
18 ened time to the completion of a certificate
19 or degree;

20 “(E) a description of how each com-
21 petency-based education program offered under
22 the demonstration project will award academic
23 credit to advance the progress of a student to-
24 ward completion of a certificate or degree that

1 is portable and used by in-demand employers
2 for making employment decisions;

3 “(F) a description of how each credit-bear-
4 ing competency-based education program of-
5 fered under the demonstration project is aligned
6 with a career pathway;

7 “(G) a description of the meaningful role
8 of the appropriate instructors of the eligible en-
9 tity in the development, design, implementation,
10 delivery, and evaluation of each such com-
11 petency-based education program;

12 “(H) a description of how each such com-
13 petency-based education program will provide
14 strong post-enrollment job placement, earnings,
15 and loan repayment outcomes;

16 “(I) a description of how the eligible entity
17 will facilitate transfer, postsecondary study, and
18 employer understanding by articulating a com-
19 petency-based transcript from a competency-
20 based education program offered under the
21 demonstration project to a credit hour tran-
22 script at another program at the eligible entity
23 and to other institutions of higher education;

24 “(J) a description of the statutory and reg-
25 ulatory requirements described in subsection (e)

1 for which the eligible entity is seeking a waiver
2 or other flexibility, and why such waiver or
3 flexibility is necessary to carry out the dem-
4 onstration project;

5 “(K) a description of indicators of a pro-
6 gram’s effectiveness to inform how a third
7 party will reliably assess student learning for
8 each competency-based education program of-
9 fered under the demonstration project;

10 “(L) a description of how the eligible enti-
11 ty will develop and evaluate the competencies
12 and assessments of student knowledge adminis-
13 tered as part of the demonstration project, in-
14 cluding whether there is a relationship between
15 the competency unit and a traditional credit or
16 clock hour, the average time it takes to earn a
17 competency, how such competencies and assess-
18 ments are aligned with workforce needs and any
19 other considerations the institution made when
20 it developed its unit of competency;

21 “(M) a description of the proposal for de-
22 termining a student’s Federal student aid eligi-
23 bility under this title for participating in the
24 demonstration project, the award and distribu-
25 tion of such aid, and the safeguards to ensure

1 that students are making satisfactory progress
2 that warrants the disbursement of such aid;

3 “(N) an assurance that the demonstration
4 project at each eligible entity—

5 “(i) will enroll a minimum of 25 stu-
6 dents and a maximum of 3,000 students
7 or, in the case of an eligible entity with an
8 application amendment approved under
9 paragraph (3)(B), the maximum enroll-
10 ment approved under such paragraph;

11 “(ii) will identify and disseminate best
12 practices with respect to the demonstration
13 project to the Secretary and to other eligi-
14 ble entities carrying out a demonstration
15 project under this section;

16 “(iii) operates under an agreement
17 with the accrediting agency or association
18 of the eligible entity to establish the stand-
19 ards described in subsection (c); and

20 “(iv) uses available funds solely for
21 purposes of awarding academic credit to el-
22 igible students based on the achievement of
23 competencies and for the related costs or
24 fees of demonstrating the achievement of
25 competencies;

1 “(O) a description of the population of stu-
2 dents to whom competency-based education
3 under the demonstration project will be offered,
4 including demographic information and prior
5 educational experience, disaggregated by stu-
6 dents who are Federal Pell Grant recipients,
7 students of color, Native students, students
8 with disabilities, students who are veterans or
9 members of the Armed Forces, adult learners,
10 and first generation college students, and how
11 such eligible entity will, when appropriate, ad-
12 dress the specific needs of each such population
13 of students when carrying out the demonstra-
14 tion project;

15 “(P) a description of outreach and commu-
16 nication activities to students who may benefit
17 under the demonstration project, including
18 those described in subparagraph (O);

19 “(Q) a description of how the institution is
20 ensuring that students participating in the dem-
21 onstration project will not, on average, be eligi-
22 ble for more or less Federal assistance under
23 this title than such students would have been
24 eligible for under a program measured in credit
25 or clock hours;

1 “(R) the cost of attendance for each com-
2 petency-based education program offered under
3 the demonstration project, disaggregated by
4 each of the applicable costs or allowances de-
5 scribed in paragraphs (1) through (13) of sec-
6 tion 472, and the estimated amount of the cost
7 of attendance of each such program to be cov-
8 ered by need-based grant aid and merit-based
9 grant aid from Federal, State, institutional, and
10 private sources;

11 “(S) a description of other competency-
12 based education programs the eligible entity of-
13 fers or plans to offer outside of the demonstra-
14 tion project;

15 “(T) a description of how the eligible enti-
16 ty will use data to—

17 “(i) ensure that each competency-
18 based education program under the dem-
19 onstration project meets the benchmarks
20 established in accordance with subsection
21 (c)(2)(E);

22 “(ii) confirm relevancy of com-
23 petencies in the labor market; and

24 “(iii) improve each such program; and

1 “(U) such other elements as the Secretary
2 may require.

3 “(c) RECOGNITION BY ACCREDITING AGENCY OR AS-
4 SOCIATION.—Unless a program has already been recog-
5 nized as a direct assessment program by the accrediting
6 agency or association of the eligible entity, in order to
7 carry out a competency-based education program under
8 a demonstration project under this section, an eligible en-
9 tity shall include in its application under subsection (b),
10 a letter from the accrediting agency or association of the
11 eligible entity that describes how it will establish and en-
12 force the following standards with respect to such com-
13 petency-based education program:

14 “(1) Standards for determining whether the eli-
15 gible entity or the program requires students to
16 demonstrate competencies that are—

17 “(A) capable of being validly and reliably
18 assessed; and

19 “(B) appropriate in scope and rigor for the
20 award of the relevant certificate or degree.

21 “(2) Standards for determining whether the eli-
22 gible entity or the program demonstrate—

23 “(A) the administrative capacity and ex-
24 pertise that will ensure—

1 “(i) the validity and reliability of as-
2 sessments of competencies; and

3 “(ii) good practices in assessment and
4 measurement;

5 “(B) sufficient educational content, activi-
6 ties, and resources (including faculty sup-
7 port)—

8 “(i) to enable students to learn or de-
9 velop what is required to demonstrate or
10 attain mastery of competencies; and

11 “(ii) that are consistent with the
12 qualifications of graduates of traditional
13 programs;

14 “(C) that the quality of demonstration of
15 competence is judged at mastery for each com-
16 petency that is assessed for the award of a cer-
17 tificate or degree;

18 “(D) a standard for the amount of learn-
19 ing that is included in a unit of competency;

20 “(E) reasonable, clear, and actionable
21 benchmarks for graduation rates and the em-
22 ployment and earnings of graduates, including
23 job placements in a field for which the program
24 prepares students, debt-to-earnings ratios, loan
25 repayment rates, and student satisfaction;

1 “(F) regular evaluation of whether the pro-
2 gram meets the benchmarks under subpara-
3 graph (E), and address what may be the cause
4 with identified interventions; and

5 “(G) that students may not receive a sub-
6 sequent disbursement until they have completed
7 the anticipated number of credits for the pay-
8 ment period.

9 “(3) Standards for determining when to deny,
10 withdraw, suspend, or terminate the accreditation of
11 the program if the benchmarks under paragraph
12 (2)(E) are not achieved after 4 consecutive title IV
13 payment periods, including standards for providing
14 sufficient opportunity—

15 “(A) for the eligible entity or program to
16 provide a written response regarding the failure
17 to achieve such benchmarks be considered by
18 the agency or association in the manner de-
19 scribed in section 496(a)(6)(B); and

20 “(B) for the eligible entity or program to
21 appeal any adverse action under this subpara-
22 graph before an appeals panel that meets the
23 requirements of section 496(a)(6)(C).

24 “(d) SELECTION.—

1 “(1) IN GENERAL.—Not later than 12 months
2 after the date of enactment of the Advancing Com-
3 petency-Based Education Act of 2019, the Secretary
4 shall select not less than 25 and not more than 100
5 eligible entities to carry out a demonstration project
6 under this section under which at least 1 com-
7 petency-based education program is offered at each
8 eligible entity.

9 “(2) CONSIDERATIONS.—In selecting eligible
10 entities under paragraph (1), the Secretary shall—

11 “(A) consider the number and quality of
12 applications received;

13 “(B) consider an eligible entity’s—

14 “(i) ability to successfully execute the
15 demonstration project as described in the
16 eligible entity’s application under sub-
17 section (b);

18 “(ii) commitment and ability to effec-
19 tively finance the demonstration project;

20 “(iii) ability to provide administrative
21 capability and the expertise to evaluate
22 student progress based on measures other
23 than credit hours or clock hours;

24 “(iv) history of compliance with the
25 requirements of this Act;

1 “(v) commitment to work with the Di-
2 rector and the Secretary to evaluate the
3 demonstration project and the impact of
4 the demonstration project under subsection
5 (g)(2);

6 “(vi) commitment and ability to as-
7 sess student learning through a third
8 party;

9 “(vii) commitment of the accrediting
10 agency or association of the eligible entity
11 to establish and enforce the standards de-
12 scribed in subsection (c); and

13 “(viii) commitment to collaboration
14 with an employer advisory group or spe-
15 cific employers to determine how the dem-
16 onstration project will meet employer
17 needs;

18 “(C) ensure the selection of a diverse
19 group of eligible entities with respect to size,
20 mission, student population, and geographic
21 distribution;

22 “(D) not limit the types of programs of
23 study or courses of study approved for partici-
24 pation in a demonstration project; and

25 “(E) not select an eligible entity—

1 “(i) that, for 1 or both of the pre-
2 ceding 2 fiscal years—

3 “(I) had a cohort default rate
4 (defined in section 435(m)) that was
5 30 percent or higher;

6 “(II) failed to meet the require-
7 ment under section 487(a)(24); or

8 “(III) was—

9 “(aa) under probation or an
10 equivalent status from the ac-
11 crediting agency or association of
12 the eligible entity;

13 “(bb) under sanction from
14 the authorization agency of the
15 State in which the eligible entity
16 is located; or

17 “(cc) under public investiga-
18 tion or facing a pending lawsuit
19 from a State or Federal agency;

20 “(ii) if the Department has concerns
21 with the entity’s compliance based on pro-
22 gram reviews or audits; or

23 “(iii) if the eligible entity fails to meet
24 the financial responsibility standards pre-
25 scribed by the Secretary in accordance

1 with section 498(c) or is placed on a reim-
2 bursement system of payment by the Sec-
3 retary.

4 “(e) WAIVERS AND OTHER FLEXIBILITY.—

5 “(1) IN GENERAL.—With respect to any eligible
6 entity selected to carry out a demonstration project
7 under this section, the Secretary may—

8 “(A) waive any requirements of the provi-
9 sions of law (including any regulations promul-
10 gated under such provisions) listed in para-
11 graph (2) for which the eligible entity has pro-
12 vided a reason for waiving under subsection
13 (b)(4)(J); or

14 “(B) provide other flexibility, but not
15 waive, any requirements of the provisions of law
16 (including any regulations promulgated under
17 such provisions) listed in paragraph (3) for
18 which the eligible entity has provided a reason
19 with which the Secretary agrees for such flexi-
20 bility under subsection (b)(4)(J).

21 “(2) PROVISIONS ELIGIBLE FOR WAIVERS.—

22 The Secretary may waive the following under para-
23 graph (1)(A):

24 “(A) Subparagraphs (A) and (B) of section
25 102(a)(3).

1 “(B) Section 484(l)(1).

2 “(3) PROVISIONS ELIGIBLE FOR FLEXI-
3 BILITY.—The Secretary may provide the flexibility
4 described in paragraph (1)(B) with respect to the re-
5 quirements under provisions in title I, part F of this
6 title, or this part, that inhibit the operation of a
7 competency-based education program, relating to the
8 following:

9 “(A) Documenting attendance.

10 “(B) Weekly academic activity.

11 “(C) Minimum weeks of instructional time.

12 “(D) Requirements for credit hour or clock
13 hour equivalencies if an institution proposes a
14 measure clearly defined in its application that
15 accounts for the academic intensity of study.

16 “(E) Requirements for regular and sub-
17 stantive interaction with the instructor.

18 “(F) Definitions of the terms ‘academic
19 year’, ‘full-time student’, ‘part-time student’,
20 ‘term’ (including ‘standard term’, ‘non-term’,
21 and ‘non-standard term’), ‘satisfactory aca-
22 demic progress’, ‘educational activity’, ‘program
23 of study’, and ‘payment period’.

24 “(G) Methods of disbursing student finan-
25 cial aid by institutions of higher education se-

1 lected, as of the date of enactment of the Ad-
2 vancing Competency-Based Education Act of
3 2019, as experimental sites under section
4 487A(b)(3) to carry out competency-based edu-
5 cation programs.

6 “(H) Restrictions regarding concurrent
7 student enrollment in Direct Assessment and
8 non-Direct Assessment programs.

9 “(4) MEASUREMENT OF ACTIVITY OR ACADEMIC
10 WORK.—An institution granted flexibility under
11 paragraph (3) related to requirements for credit
12 hour or clock hour equivalencies shall include a
13 measurement of activity or academic ‘work’ by stu-
14 dents as considered comparable to the standard
15 practice for measuring credit or clock hours for
16 these areas.

17 “(f) NOTIFICATION.—Not later than 9 months after
18 the date of enactment of the Advancing Competency-
19 Based Education Act of 2019, the Secretary shall make
20 available to the authorizing committees and the public a
21 list of eligible entities selected to carry out a demonstra-
22 tion project under this section, which shall include for each
23 such eligible entity—

1 “(1) the specific waiver or other flexibility from
2 statutory or regulatory requirements offered under
3 subsection (e); and

4 “(2) a description of the competency-based edu-
5 cation programs, and its associated accreditation
6 standards, to be offered under the project.

7 “(g) INFORMATION AND EVALUATION.—

8 “(1) INFORMATION.—

9 “(A) STUDENT-LEVEL DATA.—Each eligi-
10 ble entity that carries out a demonstration
11 project under this section shall provide to the
12 Director the student-level data for the students
13 enrolled in a program described in subpara-
14 graph (C)(i)(I), the student-level data for the
15 students enrolled in a program described in
16 subparagraph (C)(i)(II), and the student-level
17 data for students enrolled in a program de-
18 scribed in subparagraph (C)(i)(III) to enable
19 the Director—

20 “(i) to determine the aggregate infor-
21 mation described in subparagraph (B) with
22 respect to each such program; and

23 “(ii) to the extent practicable, to com-
24 pare the programs using a rigorous evalua-
25 tion, such as propensity score matching.

1 “(B) AGGREGATE INFORMATION.—For
2 purposes of the evaluation under paragraph (2),
3 the Director shall use the student-level data
4 provided under subparagraph (A) by an eligible
5 entity to determine the following information
6 with respect to each program described in sub-
7 paragraph (C)(i) offered at such eligible entity:

8 “(i) The average number of credit
9 hours students earned prior to enrollment
10 in the program, if applicable.

11 “(ii) The number and percentage of
12 students enrolled in a competency-based
13 education program that are also enrolled in
14 programs of study or courses of study of-
15 fered in credit hours or clock hours,
16 disaggregated by student status as a first-
17 year, second-year, third-year, fourth-year,
18 or other student.

19 “(iii) The average period of time be-
20 tween the enrollment of a student in the
21 program and the first assessment of stu-
22 dent knowledge of such student.

23 “(iv) The average time to 25 percent,
24 50 percent, 75 percent, 100 percent, 150

1 percent, and 200 percent completion of a
2 certificate or degree.

3 “(v) The number and percentage of
4 students who begin in a certain cohort and
5 complete a certificate or degree.

6 “(vi) The number and percentage of
7 students who begin in a certain cohort and
8 withdraw without completing a certificate
9 or degree.

10 “(vii) The number and percentage of
11 students who begin in a certain cohort who
12 reach 25 percent, 50 percent, 75 percent,
13 100 percent completion of a certificate or
14 degree.

15 “(viii) The number and percentage of
16 students who begin in a certain cohort who
17 re-enroll in a second period.

18 “(ix) The median number of com-
19 petencies completed per period.

20 “(x) The average number of attempts
21 it takes students to pass all assessments of
22 student knowledge during the period of en-
23 rollment in the program.

24 “(xi) The percentage of summative as-
25 sessments of student competence that stu-

1 dents passed on the first attempt during
2 the period of enrollment in the program.

3 “(xii) The percentage of summative
4 assessments of student competence that
5 students passed on the second attempt and
6 the average period of time between the
7 first and second attempts during the pe-
8 riod of enrollment in the program.

9 “(xiii) The average number of com-
10 petencies a student acquired and dem-
11 onstrated while enrolled in a program and
12 the period of time during which the stu-
13 dent acquired such competencies.

14 “(xiv) The number and percentage of
15 students completing the program who find
16 employment that lasts not less than 6
17 months within 6 months of graduation,
18 disaggregated by number and percentage
19 of such students finding employment in a
20 field related to the program.

21 “(xv) Student job placement rates 1,
22 2, and 3 years after graduating from the
23 program, if available.

1 “(xvi) The median student earnings 1,
2 2, and 3 years after graduating from the
3 program, if available.

4 “(xvii) The number and percentage of
5 students completing the program who con-
6 tinue their education.

7 “(xviii) Such other information as the
8 Director may reasonably require.

9 “(C) DISAGGREGATION.—The information
10 determined under subparagraph (B) shall be
11 disaggregated as follows, provided that the
12 disaggregation of the information does not iden-
13 tify any individual student:

14 “(i) For each eligible entity that car-
15 ries out a demonstration project under this
16 section, disaggregation by—

17 “(I) the students enrolled in each
18 competency-based education program
19 under the project;

20 “(II) the students enrolled in
21 each competency-based education pro-
22 gram not being carried out under the
23 project, if the eligible entity has a
24 competency-based education program

1 not being carried out under the
2 project; and

3 “(III) the students enrolled in a
4 program not described in subclause
5 (I) or (II).

6 “(ii) For each group of students de-
7 scribed in clause (i), disaggregation by
8 prior postsecondary experience, age group,
9 race, gender, disability status, students
10 who are Veterans or servicemembers, first
11 generation college students, full-time and
12 part-time enrollment, and status as a re-
13 cipient of a Federal Pell Grant.

14 “(D) COUNCIL.—The Director shall pro-
15 vide to the Competency-Based Education Coun-
16 cil any information described in subparagraph
17 (A) or (B) (other than personally identifiable
18 information) that may be necessary for the
19 Council to carry out its duties under section
20 3(e) of the Advancing Competency-Based Edu-
21 cation Act of 2019.

22 “(2) EVALUATION.—

23 “(A) IN GENERAL.—The Director, in con-
24 sultation with the Secretary and using the in-
25 formation determined under paragraph (1),

1 shall annually evaluate each eligible entity car-
2 rying out a demonstration project under this
3 section. Each evaluation shall be disaggregated
4 in accordance with subparagraph (B) and in-
5 clude—

6 “(i) the extent to which the eligible
7 entity has met the elements of its applica-
8 tion under subsection (b)(4);

9 “(ii) whether the demonstration
10 project led to reduced cost, including as re-
11 flected by median debt levels, or time to
12 completion of a certificate or degree, and
13 the amount of cost or time reduced for
14 such completion;

15 “(iii) obstacles related to student fi-
16 nancial assistance for competency-based
17 education;

18 “(iv) the extent to which statutory or
19 regulatory requirements not waived or for
20 which flexibility is not provided under sub-
21 section (e) presented difficulties or unin-
22 tended consequences for students or eligi-
23 ble entities;

24 “(v) a description of the waivers or
25 flexibility provided under subsection (e)

1 that were most beneficial to students or el-
2 igible entities, and an explanation of such
3 benefits;

4 “(vi) the percentage of students who
5 received each of the following—

6 “(I) a grant under this title;

7 “(II) a loan under this title;

8 “(III) a State grant;

9 “(IV) a State loan;

10 “(V) an institutional grant;

11 “(VI) an institutional loan;

12 “(VII) a private loan; and

13 “(VIII) an employer grant or
14 subsidy;

15 “(vii) median annual total cost and
16 net cost to the student of the program;

17 “(viii) median total cost and net cost
18 of the credential and associated examina-
19 tion or licensure calculated upon comple-
20 tion;

21 “(ix) median outstanding balance of
22 principal and interest on loans made under
23 this title that students have upon gradua-
24 tion;

1 “(x) the median 3-year and 5-year co-
2 hort default rate;

3 “(xi) the median 1-year and 3-year re-
4 payment rate of loans made under this
5 title;

6 “(xii) the median student earnings 1,
7 3, and 4 years after graduation;

8 “(xiii) a description of the curricular
9 infrastructure, including assessments of
10 student knowledge and the corresponding
11 competencies;

12 “(xiv) a description of the role of fac-
13 ulty and faculty involvement; and

14 “(xv) outcomes of the assessments of
15 student competency.

16 “(B) DISAGGREGATION.—The data col-
17 lected under clauses (vi) through (xii) shall be
18 disaggregated by each group of students de-
19 scribed in paragraph (1)(C).

20 “(3) ANNUAL REPORT.—The Director, in con-
21 sultation with the Secretary, shall annually provide
22 to the authorizing committees a report on—

23 “(A) the evaluations required under para-
24 graph (2);

1 “(B) the number and types of students re-
2 ceiving assistance under this title for com-
3 petency-based education programs offered
4 under projects under this section;

5 “(C) any proposed statutory or regulatory
6 changes designed to support and enhance the
7 expansion of competency-based education pro-
8 grams, which may be independent of or com-
9 bined with traditional credit hour or clock hour
10 projects;

11 “(D) the most effective means of delivering
12 competency-based education programs through
13 projects under this section; and

14 “(E) the appropriate level and distribution
15 methodology of Federal assistance under this
16 title for students enrolled in a competency-
17 based education program.

18 “(h) COORDINATION.—An eligible entity or the Di-
19 rector shall consult with the Secretary of Education or the
20 Secretary of the Treasury to obtain the employment, earn-
21 ings, and loan information that may be necessary for pur-
22 poses of subsection (c)(2)(F) or subsection (g), respec-
23 tively.

1 “(i) OVERSIGHT.—In carrying out this section, the
2 Secretary shall, on a not less frequently than quarterly
3 basis—

4 “(1) assure compliance of eligible entities with
5 the requirements of this title (other than the provi-
6 sions of law and regulations that are waived under
7 subsection (e));

8 “(2) provide technical assistance;

9 “(3) monitor fluctuations in the student popu-
10 lation enrolled in the eligible entities carrying out
11 the demonstration projects under this section;

12 “(4) consult with appropriate accrediting agen-
13 cies or associations and appropriate State regulatory
14 authorities for additional ways of improving the de-
15 livery of competency-based education programs; and

16 “(5) collect and disseminate to eligible entities
17 carrying out a demonstration project under this sec-
18 tion, best practices with respect to such projects.

19 “(j) DATA PRIVACY.—

20 “(1) IN GENERAL.—It shall be unlawful for any
21 person who obtains or has access to personally iden-
22 tifiable information in connection with this section to
23 willfully disclose to any person (except as authorized
24 in this Act or any Federal law) such personally iden-
25 tifiable information.

1 “(2) PENALTY.—Any person who violates para-
2 graph (1) shall be fined not more than \$5,000, im-
3 prisoned not more than 5 years, or both, together
4 with the costs of prosecution.

5 “(3) EMPLOYEE OR OFFICER OF THE UNITED
6 STATES.—If a violation of paragraph (1) is com-
7 mitted by any officer or employee of the United
8 States, the officer or employee shall be dismissed
9 from office or discharged from employment upon
10 conviction for the violation.

11 “(4) SALE OF DATA PROHIBITED.—Data col-
12 lected under this section shall not be sold to any
13 third party by the Director, any postsecondary insti-
14 tution, or any other entity.

15 “(5) LIMITATION ON USE BY OTHER FEDERAL
16 AGENCIES.—The Director shall not allow any other
17 Federal agency to use personally identifiable data
18 collected under this section for any purpose except
19 as explicitly authorized by this Act.

20 “(6) LAW ENFORCEMENT.—Personally identifi-
21 able information collected under this section shall
22 not be used for any law enforcement activity or any
23 other activity that would result in adverse action
24 against any student, including debt collection activ-
25 ity or enforcement of the immigration laws.

1 “(k) AUTHORIZATION OF APPROPRIATIONS.—There
2 are authorized to be appropriated \$5,000,000 to the De-
3 partment to carry out the project under this section.

4 “(l) DEFINITIONS.—For the purpose of this section:

5 “(1) CAREER PATHWAY.—The term ‘career
6 pathway’ has the meaning given the term in section
7 3 of the Workforce Innovation and Opportunity Act
8 (29 U.S.C. 3102).

9 “(2) COMPETENCY.—The term ‘competency’
10 means the knowledge, skill, and abilities dem-
11 onstrated for a particular program of study.

12 “(3) COMPETENCY-BASED EDUCATION PRO-
13 GRAM.—The term ‘competency-based education pro-
14 gram’ means a postsecondary program that provides
15 competency-based education for which the accred-
16 iting agency or association of the institution of high-
17 er education offering such program has established
18 or will establish the standards described in sub-
19 section (c) and, in accordance with such standards—

20 “(A) measures academic progress and cre-
21 dential attainment by the assessment of student
22 learning in lieu of, or in addition to, credit or
23 clock hours;

24 “(B) measures and assesses such academic
25 progress and attainment in terms of a student’s

1 mastery of competencies by identifying what
2 students know and the skills mastered through
3 rigorous assessment;

4 “(C) determines and reports to the Sec-
5 retary the number of credit or clock hours that
6 would be needed for the attainment of a similar
7 level of knowledge, skills, and characteristics in
8 a standard credit or clock hour program;

9 “(D) provides the educational content, ac-
10 tivities, support, and resources necessary to en-
11 able students to develop and attain the com-
12 petencies that are required to demonstrate mas-
13 tery of such competencies, including a system
14 for monitoring a student’s engagement and
15 progress in each competency, in which faculty
16 are responsible for providing proactive academic
17 assistance, when needed, on the basis of such
18 monitoring;

19 “(E) upon a student’s demonstration or
20 mastery of a set of competencies identified and
21 required by the institution, leads to or results
22 in the awarding of a certificate or degree;

23 “(F) ensures that funds received under
24 this title may be used only for learning that re-
25 sults from instruction provided or overseen by

1 the institution and not for the portion of the
2 program of which the student has demonstrated
3 mastery prior to enrollment in the program or
4 tests of learning that are not associated with
5 educational activities overseen by the institu-
6 tion;

7 “(G) is organized in a manner that an in-
8 stitution can determine, based on the method of
9 measurement selected by the institution, and
10 approved by the accreditor as described in sub-
11 section (c), what constitutes a full-time, three-
12 quarter time, half-time, and less than half-time
13 workload for the purposes of awarding and ad-
14 ministering assistance under this title, or assist-
15 ance provided under another provision of Fed-
16 eral law to attend an institution of higher edu-
17 cation; and

18 “(H) may use a disaggregated faculty
19 model in which the educational responsibilities
20 for an academic course are divided among a
21 number of individuals, each performing specific
22 tasks essential to instruction, including cur-
23 riculum design, content delivery, and student
24 assessment.

1 “(4) DIRECTOR.—The term ‘Director’ means
2 the Director of the Institute of Education Sciences.

3 “(5) DUAL OR CONCURRENT ENROLLMENT
4 PROGRAM.—The term ‘dual or concurrent enrollment
5 program’ has the meaning given the term in section
6 8101 of the Elementary and Secondary Education
7 Act of 1965 (20 U.S.C. 7801).

8 “(6) ELIGIBLE ENTITY.—The term ‘eligible en-
9 tity’ means an institution of higher education, which
10 may be an institution of higher education that offers
11 a dual or concurrent enrollment program.

12 “(7) FIRST GENERATION COLLEGE STUDENT.—
13 The term ‘first generation college student’ has the
14 meaning given the term in section 402A(h)(3).

15 “(8) INSTITUTION OF HIGHER EDUCATION.—
16 The term ‘institution of higher education’ has the
17 meaning given the term in section 102, except that
18 such term does not include institutions described in
19 section 102(a)(1)(C).”.

20 (b) EXCEPTION TO STUDENT UNIT RECORD BAN.—
21 Section 134(b) of the Higher Education Act of 1965 (20
22 U.S.C. 1015c(b)) is amended—

23 (1) by striking “(1) is necessary” and inserting
24 the following “(1)(A) is necessary”;

1 (2) by striking “(2) was in” and inserting the
2 following “(B) was in”;

3 (3) by striking the period at the end and insert-
4 ing “; or”; and

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

6 “(2) is necessary for the operation of section
7 486B.”.

8 (c) **RULE OF CONSTRUCTION.**—Nothing in this Act
9 or the amendments made by this Act shall be construed
10 to alter the authority of the Secretary of Education to es-
11 tablish experimental sites under any other provision of
12 law.

13 **SEC. 3. COMPETENCY-BASED EDUCATION COUNCIL.**

14 (a) **ESTABLISHMENT OF A COMMITTEE ON COM-**
15 **PETENCY-BASED EDUCATION.**—Not later than 6 months
16 after the date of enactment of this Act, there shall be es-
17 tablished the Competency-Based Education Council (re-
18 ferred to in this section as the “Council”).

19 (b) **MEMBERSHIP.**—

20 (1) **COMPOSITION.**—The Council shall be com-
21 posed of—

22 (A) 3 individuals appointed by the Sec-
23 retary of Education;

1 (B) 2 individuals appointed by the Director
2 of the Bureau of Consumer Financial Protec-
3 tion;

4 (C) not less than 8 and not more than 13
5 individuals appointed by the Comptroller Gen-
6 eral of the United States, representing—

7 (i) experts in competency-based edu-
8 cation;

9 (ii) faculty members in competency-
10 based education programs;

11 (iii) administrators at institutions that
12 offer competency-based education pro-
13 grams;

14 (iv) individuals currently enrolled in
15 or graduated from a competency-based
16 education program;

17 (v) accrediting agencies or associa-
18 tions that recognize competency-based edu-
19 cation programs;

20 (vi) experts from State educational
21 agencies; and

22 (vii) business and industry representa-
23 tives;

24 (D) 4 members appointed by—

25 (i) the majority leader of the Senate;

- 1 (ii) the minority leader of the Senate;
2 (iii) the Speaker of the House of Rep-
3 resentatives; and
4 (iv) the minority leader of the House
5 of Representatives.

6 (2) CHAIRPERSON.—The Council shall select a
7 Chairperson from among its members.

8 (3) VACANCIES.—Any vacancy in the Council
9 shall not affect the powers of the Council and shall
10 be filled in the same manner as an initial appoint-
11 ment.

12 (c) MEETINGS.—The Council shall hold, at the call
13 of the Chairperson, not less than 6 meetings before com-
14 pleting the study required under subsection (e) and the
15 report required under subsection (f).

16 (d) PERSONNEL MATTERS.—

17 (1) COMPENSATION OF MEMBERS.—Each mem-
18 ber of the Council shall serve without compensation
19 in addition to any such compensation received for
20 the member's service as an officer or employee of the
21 United States, if applicable.

22 (2) TRAVEL EXPENSES.—The members of the
23 Council shall be allowed travel expenses, including
24 per diem in lieu of subsistence, at rates authorized
25 for employees of agencies under subchapter 1 of

chapter 57 of title 5, United States Code, while away from their homes or regular places of business in the performance of services for the Council.

(e) DUTIES OF THE COUNCIL.—

(1) STUDY.—The Council shall conduct a study on the ongoing innovation and development of competency-based education programs.

(2) RECOMMENDATIONS.—Based on the findings of the study under paragraph (1), and the annual evaluations of the demonstration projects under section 486B of the Higher Education Act of 1965, the Council shall develop recommendations for the authorization of competency-based education under the Higher Education Act of 1965, including recommendations that—

(A) provide or update standard definitions, if needed, for relevant terms, including—

(i) competency-based education;

(ii) competency-based education program; including quality indicators, that include appropriate student outcome metrics, for such programs; and

(iii) any other relevant definitions agreed upon; and

(B) address—

- 1 (i) the amount of learning in a com-
2 petency unit;
- 3 (ii) the transfer of competency-based
4 education credits to other institutions or
5 programs;
- 6 (iii) the minimum amount of time in
7 an academic year for competency-based
8 education programs, for financial aid pur-
9 poses;
- 10 (iv) considerations for accreditation
11 agencies before recognizing competency-
12 based education programs;
- 13 (v) address the role of faculty and fac-
14 ulty involvement in competency-based edu-
15 cation programs;
- 16 (vi) additional resources that may be
17 needed for adequate oversight of com-
18 petency-based education programs; and
- 19 (vii) the responsiveness of com-
20 petencies to the labor market and employ-
21 ers.

22 (f) REPORTS.—

23 (1) INTERIM REPORTS.—Not later than 2 years
24 after the date of enactment of this Act, and bienni-
25 ally thereafter until the final report is submitted

1 under paragraph (2), the Council shall prepare and
2 submit to the Secretary of Education and Congress
3 and make available to the public a report that pro-
4 vides ongoing feedback to the annual evaluations of
5 the demonstration projects under section 486B(g)(2)
6 of the Higher Education Act of 1965, including a
7 discussion of implementation challenges programs
8 face, and the items listed in subsection (e)(2)(B).

9 (2) FINAL REPORT.—Not later than 6 years
10 after the date of enactment of this Act, the Council
11 shall prepare and submit to the Secretary of Edu-
12 cation and Congress and make available to the pub-
13 lic a report containing the findings of the study
14 under subsection (e)(1) and the recommendations
15 developed under subsection (e)(2).

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