

Questions Financial Aid Professionals Should Ask About Competency-Based Education Programs

A RESOURCE GUIDE



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Questions

Financial Aid Professionals Should Ask About Competency-Based Education Programs

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Introduction

Institutional leaders have a myriad of questions when tasked with the challenge of designing and implementing a competency-based program. Often, institutions report not knowing how to even get started. The Competency-Based Education Network (C-BEN) has created this resource for financial aid professionals so that they can support competency-based innovation on their campuses.

Please note that institutions are responsible for compliance with all statutory and regulatory requirements, not just the items described in this resource.

Instructions for Using This Resource

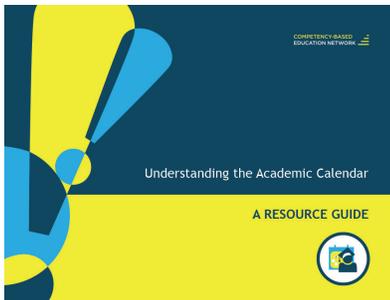
The tables in this resource have three columns: Column one includes financial aid questions and the specific topics those questions relate to. Column two includes additional questions or information that will need to be considered as you answer the question(s) in column one for your financial aid process at your institution. In some cases there are additional questions that can be asked that are related to particular areas in discussion. These are meant to facilitate conversation. This content is in *italics* and will occasionally reference sections of federal statute and regulations or the Federal Student Aid Handbook (and other materials) and financial aid manuals. These references will be detailed in column three.

This document is based off the 2015-2016 Federal Student Aid Handbook. Additional references are made to the Code of Federal Regulations (CFR), specifically 34 CFR, which can be found online at [Electronic Code of Federal Regulations \(eCFR\)](http://www.e-cfr.gov).

Please note that many responses will depend on the program's academic calendar type: standard terms (semesters or quarters); nonstandard terms that are substantially equal in length; nonstandard terms that are not substantially equal in length; or nonterm programs. Responses will also vary depending on whether the program is offered using credit hours or using direct assessment.

Any references to the Department of Education will henceforth be labeled "ED."

If you have a question about this resource, please email info@c-ben.org for assistance.



For questions and considerations related to CBE-specific academic calendars, please visit our companion guide, [Understanding the Academic Calendar: A Resource Guide](#).

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Student Eligibility

Satisfactory Academic Progress (SAP) | FSA Handbook Volume 1, Chapter 1

SAP must be considered on both a qualitative (grade-based) and quantitative (time based) standard.

Qualitative Questions	Additional Questions and Information	References
<ul style="list-style-type: none"> • What level of achievement is required to demonstrate mastery of the competency? Is it equivalent to a “C” or better? 	<ul style="list-style-type: none"> • If your program requires a grade or grade equivalent of “C” or better performance to achieve mastery of competencies, then a student can automatically be assumed to have met the qualitative standard for SAP. 	<ul style="list-style-type: none"> • Dear Colleague Letter GEN-14-23, Q&A #11 • 34 CFR 668.34(a)(4)
<ul style="list-style-type: none"> • Will there be a grade point average (GPA)? If so, how will it be calculated? 	<ul style="list-style-type: none"> • If students in a competency-based program are assigned GPAs, each student’s qualitative progress must be a 2.00 or equivalent at the end of the second year in order for the student to be considered making SAP. 	<ul style="list-style-type: none"> • 34 CFR 668.34(a)(4)
Maximum Time Frame Questions	Additional Questions and Information	References
<ul style="list-style-type: none"> • What is the published length of your program? • How did you determine that length? • Is a student’s standard completion time equal to your published length? • Are your students graduating in four years, or, if not, what are you using as a time frame and why? 	<ul style="list-style-type: none"> • The SAP maximum time frame in an undergraduate program may be no longer than the published length of your program multiplied by 1.5. An institution must make a reasonable determination regarding the normal time to completion and use that determination as its published length. • There is no federal requirement for a 150% rule at the graduate level, but there is a federal requirement for the university to set a maximum time-frame component in a SAP policy for graduate-level students receiving federal financial aid. 	<ul style="list-style-type: none"> • Dear Colleague Letter GEN-14-23, Q&A #11 • 34 CFR 668.34(a)(5) and (b)

Qualitative Questions	Additional Questions and Information	References
<ul style="list-style-type: none"> • Will you measure progress using credit hours or clock hours, or does your program use direct assessment with credit- or clock-hour equivalencies? 	<ul style="list-style-type: none"> • If you are using credit hours or credit-hour equivalencies, then you are subject to a pace calculation that uses credit hours completed over credit hours attempted. Clock-hour programs and direct-assessment programs using clock-hour equivalencies can measure progress using hours or equivalencies completed over calendar time. 	<ul style="list-style-type: none"> • Dear Colleague Letter GEN-14-23 Q&A #11 • 34 CFR 668.34(a)(5) and (b)
<ul style="list-style-type: none"> • When do you consider a student to be enrolled in a competency? 	<ul style="list-style-type: none"> • Enrollment in a competency generally means that the competency needs to be counted as an attempt for pace calculations for SAP purposes in a program measured in credit hours or credit-hour equivalencies. 	
Transfers, Repeats, and Incompletes: Related Questions	Additional Questions and Information	References
<ul style="list-style-type: none"> • How will repeats be treated in competency completion or GPA calculation? • Once an official grade or other mark is issued how will you treat repeat of that competency? 	<ul style="list-style-type: none"> • In a term program, a student can receive Title IV aid only one time for each course or competency. 	<ul style="list-style-type: none"> • FSA Handbook, Volume 3, Chapter 1 • 34 CFR 668.4
<ul style="list-style-type: none"> • Can a student receive an incomplete or another form of an in-progress grade or mark? 	<ul style="list-style-type: none"> • Incomplete grades in a subscription period may need to be handled differently depending on your policies for when a competency must be completed. There is some discretion for SAP purposes. However, regardless of term structure, you need to identify how you will treat incomplete grades in your SAP policy. 	<ul style="list-style-type: none"> • 4 CFR 668.34(a)(6)
<ul style="list-style-type: none"> • What is the likelihood of students transferring from other programs or other institutions? • How will transfer credit be considered in total number of hours or credits attempted? 	<ul style="list-style-type: none"> • However you choose to treat transfer credits, they must be accounted for as both completed and attempted in the quantitative component of your SAP evaluation. Schools have discretion in determining how they will treat transfer credits for qualitative purposes. 	<ul style="list-style-type: none"> • 34 CFR 668.34(a)(6)
<ul style="list-style-type: none"> • Will you allow transfer of credits from previous experiences and/or institutions into your CBE program? If so, how will these be reflected in the record in relation to progression of the students in their CBE program and the 150% time frame? 		

Time Frame for SAP Evaluation Questions

- How often will you perform SAP evaluations?

Additional Questions and Information

- If you evaluate SAP less often than once every payment period, then you may not use a warning period, and the student will lose eligibility for Title IV if he/she fails the SAP evaluation. In order to regain eligibility, a student must appeal and either be placed into probation (one payment period's worth), or, if you develop an academic plan for the student, you can set the requirements for dates and timing and how the student can meet the requirements. This academic plan may also be an option if the student is not making satisfactory academic progress at the end of the probation period.
- If you evaluate at the end of each payment period, you may use a warning period in which a student does not need to appeal in order to maintain Title IV aid eligibility.

References

- 34 CFR 668.34

- Will there be an appeals process for students who fail to meet SAP?

- You must disclose your SAP appeals process to current and prospective students.

- 34 CFR 668.42(c)(2)

- How far behind will you allow a student to get before he/she encounters an SAP barrier?

- Because CBE is often self-paced, thinking carefully through this progression is critical. Determining intervention for students at risk is a critical component. Carefully read the rules for SAP in terms of academic warning and probation and ensure when you review SAP that you are meeting all requirements for a particular status (e.g., warning) to be applied. A student who fails SAP can be placed on a one-payment-period-only probation period or placed on an academic plan.

Additional SAP, Progression, and Time Frame Questions

- Will you allow students to accelerate their progression?
- If you allow acceleration, how far and/or how fast will you let them go?
- If they accelerate, will you disburse additional financial aid based upon their progression?
- If you disburse additional aid, do you plan to put a cap or maximum amount?
- What will happen to students who reach their maximum time frame for aid?

Remedial Coursework Questions	Additional Questions and Information	References
<ul style="list-style-type: none"> Is remedial coursework embedded in competencies? Are these courses stand-alone or embedded? 	<ul style="list-style-type: none"> Remedial coursework or competencies would not be payable with Title IV aid in nonterm programs but could be payable with Title IV aid in standard- or nonstandard-term programs. 	<ul style="list-style-type: none"> 34 CFR 668.20
<ul style="list-style-type: none"> How many remedial courses/credits will be available in relation to this program? 	<ul style="list-style-type: none"> The limit is 30 semester/45 quarter credit hours or 900 clock hours. 	<ul style="list-style-type: none"> 34 CFR 668.20(e)
<ul style="list-style-type: none"> What is the timing of when students can begin this program? How will they receive remedial content in relation to a traditional calendar year, academic year, Free Application for Federal Student Aid year? 	<ul style="list-style-type: none"> If you embed remedial coursework in the competency, then there is no additional Title IV aid available for that competency. If the remedial coursework is stand-alone or separated, enrollment in the remedial coursework could result in additional Title IV aid for the student up to the limit described. 	<ul style="list-style-type: none"> 34 CFR 668.20(e)

Additional Remedial Coursework Questions

- Will students get any credit (even reduced credit) for this particular course(s) or these competencies?
- Will remedial courses be offered for credit?

School Eligibility & Operations

Institutional Eligibility | FSA Handbook, Volume 2, Chapter 2

Institutional Eligibility Questions	Additional Questions and Information	References
<ul style="list-style-type: none"> • Does your CBE program need to be specifically approved by an accrediting agency or a state-authorizing agency? • What is the state-licensing or state-authorizing agency for your CBE program? 	<ul style="list-style-type: none"> • Your CBE programs must be included in your accreditation and your state authorization. • If your program measures student progress using credit or clock hours, then ED does not require specific approval of the program by state or accrediting agencies unless those agencies themselves require specific approvals. Credit- or clock-hour CBE programs can simply be included in your accreditation (for Title IV aid). Please note that accreditors may have their own requirements, and these may be beyond ED's minimum requirements. • If your program is a direct-assessment program, it must be specifically approved by your institutional accreditor and by ED using the instructions in Dear Colleague Letter GEN-13-10. 	<ul style="list-style-type: none"> • 34 CFR 668 • Dear Colleague Letter GEN-13-10
<ul style="list-style-type: none"> • Do you need to update your E-App/Program Participation Agreement to initiate financial aid for CBE to include your CBE programs? • Who will serve as the required coordinating official for federal aid (to submit information on your institution's E-App)? 	<ul style="list-style-type: none"> • Please see instructions in Dear Colleague Letter GEN-13-10. • Generally, credit- or clock-hour CBE programs need to be submitted on the E-App to ED only if they are gainful employment (GE) programs. All direct-assessment programs must be submitted to ED for approval. 	<ul style="list-style-type: none"> • Dear Colleague Letter GEN-13-10

Educational Program Eligibility

Determining Program Eligibility | FSA Handbook, Volume 2, Chapter 2, and FSA Handbook, Volume 3, Chapter 1

Determining Program Eligibility Questions	Additional Questions and Information	References
<ul style="list-style-type: none"> How long is your program, in weeks and credit or clock hours (or the equivalent in a direct-assessment program)? 	<ul style="list-style-type: none"> The requirements for program length can be found in FSA Handbook, Volume 2, Chapter 2; 34 CFR 668.8. The minimum length of an academic year is 30 weeks for a credit-hour program, and students must complete the equivalent of 24 semester or trimester hours or 36 quarter hours. If you offer your CBE program via direct assessment, you must establish credit- or clock-hour equivalencies for the programs and provide this to ED. 	<ul style="list-style-type: none"> FSA Handbook, Volume 2, Chapter 2; 34 CFR 668.8 FSA Handbook, Volume 2, Chapter 2
<ul style="list-style-type: none"> If the program results in either a diploma or certificate and not a degree, how do you define/calculate the required clock hours or credit hours? If the resulting credential is not a degree, what are the expected enrollments and graduates? Is the program subject to gainful employment requirements? 	<ul style="list-style-type: none"> An eligible program must result in a degree, certificate, or other recognized credential in order to be Title IV eligible. 	<ul style="list-style-type: none"> FSA Handbook, Volume 3, Chapter 1; 34 CFR 600.2

Additional Determining Program Eligibility Questions

- Does the credential awarded meet accreditor and ED criteria?
- What form of accreditation approval(s) is required for your CBE programs?
- Have you sought your institutional accreditor's approval to offer CBE programs if this is required?

Programs Leading to Gainful Employment | FSA Handbook, Volume 2, Chapter 2

Programs Leading to Gainful Employment Questions

- If the program must lead to gainful employment, what are the recognized occupations for which the program prepares the student for employability that will result from completing this program?

Additional Questions and Information

- Additional information on the GE program definition is found in FSA Handbook, Volume 2, Chapter 2.

References

- FSA Handbook, Volume 2, Chapter 2

Direct-Assessment Programs | Primary References Are Dear Colleague Letters GEN-13-10 and GEN-14-23

Direct-Assessment Program Questions

- How will student progress be measured? Credit hours, clock hours, or direct assessment?

Additional Questions and Information

- An institution must make a determination about how it will measure progress for a student before it offers Title IV aid.
- If you offer a credit- or clock-hour CBE program, then each of your credit or clock hours has to meet the regulatory definition of the credit or clock hour, and these require work or academic activity before a student may receive credit. A credit hour must include no less than approximately 45 hours of academic activity for a semester or trimester hour and 30 hours of academic activity for a quarter hour.
- That requirement does not exist in direct-assessment programs. This is an important feature of a direct-assessment program for consideration.
- If a CBE program does not measure progress for a student using credit or clock hours, it must be a direct-assessment program.

References

- Dear Colleague Letter GEN-14-23, Q&A #3-4
- 34 CFR 600.2

- How much of the program will be measured through direct assessment?

- If you offer a program using direct assessment, the entire program must be provided using direct assessment. A program offered partly with credit hours and partly with direct assessment is not Title IV eligible.

Direct-Assessment Program Questions

Additional Questions and Information

References

- Has your direct-assessment program been approved by your accreditor and ED? Has the accreditor approved the program with a direct-assessment modality?

- All direct-assessment programs must be approved by ED.

- Will assessments, evaluations, instruction, or other services be leveraged/contracted from other schools or third parties?
- How will this be noted in the student record and the progression of the student in the program?

- FSA Handbook, Volume 2, Chapter 2 provides the rules on contracting out of instruction specific to direct assessment. You need to be able to note whether the student has completed the coursework at the other provider for purposes of completion and satisfactory academic progress tracking in the student record. Note that consortium agreements between direct-assessment programs and credit- or clock-hour programs are generally prohibited unless you can ensure that the consortium does not result in direct-assessment students routinely taking coursework that is measured in credit hours, or credit-hour students routinely taking coursework measured using direct assessment.

- FSA Handbook, Volume 2, Chapter 2

- How will learning measurements in a direct-assessment system be translated into clock/credit hours? What is the formula or crosswalk?

- An institution must have a process for determining equivalency, and that process must be approved by the accrediting agency and ED in the application for approval of the direct-assessment program.

- Dear Colleague Letter GEN-14-23, Q&A #4

- Is this program intended only as preparatory coursework for a different program or a recognized credential? Stated differently, is this a self-contained program, or is this coursework required to be admitted to a different program?
- Can a student take remedial coursework or competencies in a direct-assessment program?

- Direct-assessment programs that are preparatory only and do not lead to a recognized credential are not eligible for Title IV aid.
- Progress in your remedial coursework must be offered in credit or clock hours, and you may provide remedial coursework measured in credit or clock hours even in a direct-assessment program. This is one of a few exceptions in direct assessment in which Title IV aid may be used for both direct assessment and credit or clock hours at the same time.

Written Arrangements Between Schools, Prior Learning, and Distance Education

| FSA Handbook, Volume 2, Chapter 2

Written Arrangements Between Schools, Prior Learning, and Distance Education Questions

- Do students attend courses/competencies on campus, or do they work on courses/competencies off campus? What is on? Virtual? Synchronous? Asynchronous?
- What technology is used?
- Is the program self-paced?
- What is the level, type, and timing of faculty and student interaction?
- What will you build or leverage to capture and report the interactions between faculty and students?
- With whom do students interact? How do you define faculty or the primary person responsible for academic student interaction in the content area?
- Is the instruction considered distance education or correspondence study?

Additional Questions and Information

- If a student takes the coursework remotely, then the institution must determine whether the program is a distance education or correspondence. In order to meet regulatory requirements for distance education, the program must be designed to ensure regular and substantive interaction between students and faculty. A school must be able to document and show that the program is designed to support regular and substantive interaction.
- In order for an interaction to be considered substantive for these purposes, the interaction must be with an instructor who meets the accrediting agencies' requirements for faculty instructor. The interactions must be about the subject matter. Some programs use coaches who provide assistance in program navigation but do not meet the instruction standards of the accrediting agency—therefore, interactions between those coaches and students cannot be considered substantive for these purposes.
- If you have regular synchronous interaction with a qualified instructor for a particular course or competency, this type of interaction may be considered regular and substantive. Regular substantive feedback on assignments can also be used to meet this requirement (though an email asking how a student is doing without addressing course material would not meet the threshold). You should design your program for interactions because that ensures it will happen—along with mandates for substantive feedback if there are enough assignments to be considered regular.

References

- Dear Colleague Letter GEN-14-23, Q&A #9-10
- FSA Handbook, Volume 2, Chapter 2

Additional Written Arrangements Between Schools, Prior Learning, and Distance Education Questions

- Can a student attend this school and another school at the same time (concurrent enrollment)? How will you facilitate this in regards to the student record and the financial aid funding?
- If you want to operate with a consortium or contractual agreement, does this agreement cover your CBE programs? If so, how will students be handled in the CBE program in light of the roles and responsibilities of a contractual or consortium agreement?

FSA Administrative & Related Requirements

Administrative Capability | FSA Handbook, Volume 2, Chapter 3

Administrative Capability Questions	Additional Questions and Information	References
<ul style="list-style-type: none">• How will the college/university provide adequate counseling/advising and administrative staffing for the CBE program?	<ul style="list-style-type: none">• On any non-federal audit or program review for Title IV programs you have to show institutional capacity to administer the Title IV aid programs.	
<ul style="list-style-type: none">• Who will serve to authorize and award financial aid, and who will serve to disburse it?	<ul style="list-style-type: none">• The Coordinating Official is the Financial Aid Administrator on the E-App, and this person is considered the responsible official for compliance with Title IV aid requirements and, generally, other aid programs.	

Additional Administrative Capability Questions

- Will the college/university be utilizing any third-party vendors in support of federal aid? If so, who will be responsible for coordinating this for inclusion in the Program Participation Agreement E-App and ongoing reporting?

Required Electronic Processes | FSA Handbook, Volume 2, Chapter 3

Required Electronic Processes Questions	Additional Questions and Information	References
<ul style="list-style-type: none"> • Does the school have an E-App? If so, who has access to it? • Who is responsible for updating the E-App, and who are the primary individuals who are listed as contacts on the E-App? 	<ul style="list-style-type: none"> • An institution must be able to document a student's progress through the program, eligibility for Title IV aid, attendance, etc., as applicable. 	
<ul style="list-style-type: none"> • Are there credentials/logins established for the federal systems for the school? 	<ul style="list-style-type: none"> • ED requires that a signature page be signed and mailed to ED before ED can process any changes through the E-App. Your institution must designate the appropriate party to make any changes. Very few changes can be made without the signature page. 	
<ul style="list-style-type: none"> • How will you fulfill the federal reporting requirements for students enrolled in CBE programs? 	<ul style="list-style-type: none"> • You must ensure not only that adequate information about your CBE students is being sent to your primary information system but also that the data is being translated in a recognizable form in order for it to be reported to other appropriate places. 	
<ul style="list-style-type: none"> • How will loan servicers handle these differences among students? 	<ul style="list-style-type: none"> • Correct reporting to the appropriate federal systems (NSLDS, G5, COD) and your coordination with other third-party systems, such as National Student Clearinghouse, is critical. 	

Providing Consumer & Safety Information

Textbook Information; Notice to Enrolled Students; Information About the School’s Academic Programs, Costs, Facilities, and Policies; and Personal Finance Counseling and Loan Information | FSA Handbook, Volume 2, Chapter 6

Questions	Additional Questions and Information	References
<ul style="list-style-type: none"> • Will you allow your CBE students to use/ charge at the bookstore? • Do you intend to use e-Resources or open educational resources (OERs)? • Are students aware of the progression impacts of a CBE program on federal loans or aid? Are there required disclosures for loan borrowers? 	<ul style="list-style-type: none"> • If there are additional costs for additional materials, you have to post this information for students. The underlying assumption is that this is posted before students enter the class so they can make an informed choice regarding how to acquire the necessary educational resources. 	
<ul style="list-style-type: none"> • Is there personal finance counseling available? 	<ul style="list-style-type: none"> • A school that typically offers programs in a standard term or nonstandard term but is offering its CBE programs as a nonterm program for Title IV purposes will need to disclose the different requirements for receiving subsequent disbursements to students. 	
<ul style="list-style-type: none"> • Does your CBE program meet all consumer disclosure requirements? 	<ul style="list-style-type: none"> • While there is no distinction between CBE and traditional programs in regards to disclosures, it is critical that you ensure any CBE program meets all the requirements. 	

Additional Questions

- Are there private loans that allow CBE programs to be eligible?
- Have you researched and identified private providers, and do you have information available to students?
- What is the certification process for these types of loans for CBE programs?

Record Keeping, Electronic Processes & Privacy

Required Records | FSA Handbook, Volume 2, Chapter 7

Required Records Questions

- Are you retaining records for the minimum time frame as outlined by regulation, including information obtained through your learning platform (or system of delivery for support and instruction for CBE) if it is needed to provide evidence of regular and substantive interaction?
- Do you provide regular Family Educational Rights and Privacy Act training? Do you have a process for a student's right to inspect and review under Family Educational Rights and Privacy Act for CBE records, which may be and look different from regular records?

Academic Calendar, Payment Periods & Disbursements

Academic Year Requirements | FSA Handbook, Volume 3, Chapter 1

Academic Year Requirements Questions	Additional Questions and Information	References
<ul style="list-style-type: none"> • How do you define the length of your CBE program? • How many academic years will it take to complete the CBE program? 	<ul style="list-style-type: none"> • You must have a specific total length defined for your program. It can be weeks, months, or years. This is needed for both Satisfactory Academic Progress and the limitation on receipt of subsidized loan funds up to 150% of the length of the student’s program—known as Subsidized Usage Limit Applies, or SULA (see below). • The number of academic years that it will take to complete the program does not necessarily need to equate to the number of years you include in the program length, depending on how you define those. 	
<ul style="list-style-type: none"> • How do you define your academic year? • How will you equate competency completions to semester, trimester, or quarter credit hours, or to clock hours? • How many competencies must be completed in each academic year? 	<ul style="list-style-type: none"> • Every eligible program, including CBE programs, must have a defined academic year. An academic year is defined in terms of weeks of instructional time and credit or clock hours (or the equivalent in a direct-assessment program). Your academic year definition will determine the period of time for which students can receive Title IV aid awards. For example: A student can receive one full annual loan limit per academic year but that may not equate to a calendar year. • An academic year in a credit-hour program (or a direct-assessment program using credit-hour equivalencies) must include no less than 24 semester hours, 36 quarter hours, and 30 weeks of instructional time. An academic year in a clock-hour program (or a direct-assessment program using clock-hour equivalencies) must include no less than 900 clock hours and 26 weeks of instructional time. 	<ul style="list-style-type: none"> • 34 CFR 668.3

Academic Year Requirements Questions

- How did you determine how many weeks of instructional time were in your academic year?

Additional Questions and Information

- A week of instructional time is a consecutive seven-day period in which at least one day of instruction is offered.
- An institution must ensure that instructional materials and faculty support necessary for academic engagement are available during that week. To the extent that these things are not, you may not include that week toward your academic year, progression in a nonterm program, disbursement progression, or minimum program length requirements.

References

- Dear Colleague Letter GEN-14-23, Q&A #8

- What is your program's academic calendar?
- If your program uses a term-based calendar, how will the term lengths be defined and are all terms the same length?
- Will students be permitted to take both CBE coursework and non-CBE coursework? If so, how will student aid be determined and disbursed when students take both types of coursework?

- A CBE program can be offered in any of these three academic calendar options: standard term, nonstandard term, or nonterm.
- In order to have a term-based program (standard or nonstandard), there must be an expectation that a student begins and ends a competency within the term dates if you assign that competency to the student's enrollment status for that term. There is no such requirement for a nonterm program.
- Nonterm programs permit more flexibility but can be more complicated, particularly regarding Return of Title IV Funds (R2T4) requirements (as noted in the Timing of Disbursements: General Rules section).
- Semesters and trimesters are terms that are 15 to 17 weeks long.
- A quarter is a term that is 10 to 12 weeks long, and the academic calendar includes three quarters in the fall-through-spring period and often a fourth quarter in the summer.
- Standard terms must fall within these parameters.
- Standard terms must generally be of similar length, and one term must not be more than two weeks longer than another or else the terms would be considered nonstandard. If you have a nonstandard term that is not substantially equal, then all your Title IV grant aid will be disbursed on a different schedule than Direct Loans.

Academic Year Requirements Questions

- What is your program's academic calendar?
- If your program uses a term-based calendar, how will the term lengths be defined and are all terms the same length?
- Will students be permitted to take both CBE coursework and non-CBE coursework? If so, how will student aid be determined and disbursed when students take both types of coursework?

Additional Questions and Information

- If you want students to have the capacity to be able to move between programs, you will need to be able to figure out how the coursework will fit into the calendar that their program uses. For example, if a student who is enrolled in a term-based traditional program wishes to take coursework in a nonterm program, the nonterm coursework would have to coincide exactly with the term dates in the standard-term program.
- The reverse—in which a student is enrolled in a nonterm program—is a simpler case: The student could take as many traditional term-based courses as he/she wished; those courses would count toward that student's completion of the next payment period in the nonterm program.
- If your CBE program is offered using direct assessment, students cannot take coursework measured in credit hours at the same time as the direct-assessment program. It is fine to have the students transfer between a credit-hour program and direct-assessment program provided such transfers are not the norm.
- When a student begins the courses and how you register the start date matters when determining the student's eligibility for payment period. This also has implications for Return of Title IV Funds.

References

Additional Academic Year Requirements Questions

- How many academic years will it take to complete the CBE program?
- How many weeks of instruction will be included in each academic year?
- How many competencies must be completed in each academic year?
- How will you equate competencies to semester, trimester, or quarter hours? Or clock hours?
- How will courses be scheduled? Will they fall within distinct periods of time? Will they be open-ended?
- When and how can students start or stop their attendance/enrollment in the program?
- Will the credits/clock hours/competencies to be attempted be known at the beginning of the course/period, or will they be determined based on the completed competencies?

Payment Periods | FSA Handbook, Volume 3, Chapter 1

Payment Period Questions	Additional Questions and Information	References
<ul style="list-style-type: none"> If you have a term-based program, how many terms will you have per academic year? 	<ul style="list-style-type: none"> If you have a standard-term program, you have a strict limit on the number of payment periods you can have in a period of calendar time (semester = three, quarter = four). In a nonstandard term, you can have as many payment periods as you desire, but the minimum is two per academic year. In a nonterm program, you always have two per academic year. 	<ul style="list-style-type: none"> 34 CFR 668.4
<ul style="list-style-type: none"> What are your payment periods for Title IV aid? How long is each payment period? 	<ul style="list-style-type: none"> In programs that use standard terms and nonstandard terms that are substantially equal, the payment period for all Title IV programs is the term. For programs with nonstandard terms that are not substantially equal, the payment period for grants and Perkins Loans is the term, but the payment period for Direct Loans works like a nonterm program: It is half the weeks and half the hours in the academic year. A nonterm program has no flexibility regarding the length of its payment periods—each payment period in a nonterm program must be half the length of your academic year in weeks and credit or clock hours (or the equivalent in a direct-assessment program). 	<ul style="list-style-type: none"> 34 CFR 668.4
<ul style="list-style-type: none"> Does coursework span no more than the length of the payment period? 	<ul style="list-style-type: none"> See above for requirements for term-based programs—courses must begin and end within the term dates (with some flexibility to provide “incompletes” on a case-by-case basis). 	

Timing of Disbursements: General Rules | FSA Handbook, Volume 3, Chapter 1

Timing of Disbursements Questions	Additional Questions and Information	References
<ul style="list-style-type: none"> How many disbursements do you plan to have in each payment period? 	<ul style="list-style-type: none"> IA school may disburse aid for a payment period no more than 10 days prior to the beginning period or anytime within the payment period. If a student is enrolled in a credit-hour program that is offered in standard terms, you may disburse aid up to 10 days before the first day of classes in the payment period. If a student is enrolled in any other type of program, the earliest is the later of either 10 days before the start of the payment period or the day the student completes the prior payment period. You can have multiple disbursements within a payment period. Keep in mind there are different requirements for the different Title IV programs. For Pell Grants and campus-based aid, you may make as many disbursements as you wish during the payment period, in any amount that an institution determines will best meet a student's needs. For Direct Loans, you may make as many disbursements as you wish during a payment period, but all disbursements must be substantially equal. 	<ul style="list-style-type: none"> 34 CFR 668.164(f) 34 CFR 674.16(b)(3), 34 CFR 676.16(a)(3), and 34 CFR 690.76(a) 34 CFR 685.303(d)(5)
<ul style="list-style-type: none"> If students accelerate in a nonterm program, will you disburse additional aid based upon their progression? How do you know when a payment period begins/ends so you can disburse more funds? 	<ul style="list-style-type: none"> You must determine and document that a student has begun attendance in at least one course or competency in a payment period in order to be eligible for any Title IV aid during that payment period. You must document that a student has begun attendance in every course that you include in a student's Pell Grant enrollment status. If you cannot verify and document attendance in a payment period, you must return all Title IV aid for that payment period under the requirements in 34 CFR 668.21. 	<ul style="list-style-type: none"> FSA Handbook, Volume 3, Chapter 1 34 CFR 668.21 FSA Handbook, Volume 5 FSA Handbook, Volume 4 34 CFR 685.200(a)(1)(i)

Timing of Disbursements Questions

- If students accelerate in a nonterm program, will you disburse additional aid based upon their progression?
- How do you know when a payment period begins/ends so you can disburse more funds?

Additional Questions and Information

- In a term-based program, a student begins attendance in a payment period when he/she attends at least one course or competency in a term. In a nonterm program, a student completes a previous payment period and begins a new payment period when the student completes half of the hours and half of the weeks in the prior payment period and begins attendance in new coursework.
- If you have documentation that the student attended, then the student may be subject to R2T4. (Information on returning funds in general can be found in the FSA Handbook, Volume 5, and for withdrawal specifically, FSA Handbook, Volume 4.) If the student attended some courses or competencies but not all the courses or competencies for which they enrolled, you would need to recalculate the student's Pell Grant. As long as the student was enrolled half time at the time of the disbursement and continues to attend at least one course, then Direct Loan funds should not be returned unless requested by the student.

References

- FSA Handbook, Volume 3, Chapter 1
- 34 CFR 668.21
- FSA Handbook, Volume 5
- FSA Handbook, Volume 4
- 34 CFR 685.200(a)(1)(i)

Additional Timing of Disbursements Questions

- How do you know whether a student has begun attending?
- What will you do when a student fails to begin attendance or attends but then exits without officially withdrawing?

Cost of Attendance | FSA Handbook Volume 3, Chapter 2

Cost of Attendance Questions	Additional Questions and Information	References
<ul style="list-style-type: none">• What tuition/fees or other charges will be assessed?• What other costs should be factored into a student's education (i.e., living expenses)?• Are there special considerations for the student's cost of attendance?	<ul style="list-style-type: none">• For standard- or nonstandard-term programs, the tuition and fees will likely follow regular patterns. If you have subscription periods in standard or nonstandard terms, then they would be based on the subscription cost per term. However, if you are nonterm and use subscription periods, and the student takes more than the expected subscription periods to complete the academic year, that student's cost of attendance will be greater due to the additional costs.• The institution must calculate the student's eligibility for Title IV aid based on its best information about the amount of coursework the student plans to complete during the academic year. If the student's costs increase because he/she has not completed the necessary number of courses or competencies, the institution has the discretion to recalculate the student's Pell Grant or Direct Loan awards (based on the school's policy) to account for the increased costs (both for tuition and fees and for cost of living for the longer time frame). The institution must always recalculate a student's eligibility for campus-based awards when a student's costs change.	<ul style="list-style-type: none">• FSA Handbook, Volume 3, Chapter 7
<ul style="list-style-type: none">• If your program is offered using distance education, how do you calculate the cost of attendance for that program, including living expenses?	<ul style="list-style-type: none">• The Higher Education Act requires that students in distance-education programs have cost of attendance calculated using all the same components as students attending on campus.	<ul style="list-style-type: none">• Higher Education Act, Sec. 472(10)

Enrollment Status Questions

- What do you define as full-time student status?

Additional Questions and Information

- In an undergraduate program, full-time status must be at least:
- 12 semester hours or 12 quarter hours per academic term in an educational program using a semester, trimester, or quarter system;
- 24 semester hours or 36 quarter hours per academic year for an educational program using credit hours but not using a semester, trimester, or quarter system, or the prorated equivalent for a program with a duration of less than one academic year;
- 24 clock hours per week for an educational program using clock hours;
- a series of courses or seminars equaling 12 semester or quarter hours over a maximum of 18 weeks;
- for a program that measures credit hours and uses nonstandard terms, the number of weeks of instruction in the term divided by the number of weeks of instruction in the academic year, multiplied by the number of credit hours in the academic year;
- the work portion of a cooperative-education program in which the amount of work performed is equivalent to the academic workload of a full-time student; or
- for correspondence coursework, a course load commensurate with the full-time definitions listed here, and at least half of that load must be noncorrespondence coursework that meets half of the school's requirement for full-time students.
- Once you define what a full-time workload is, all other statuses use this in their calculations (e.g., half time is half the enrollment status).

References

- 34 CFR 668.2

Enrollment Status Questions

- If a school uses Prior Learning Assessment to determine whether a competency is mastered, how does the institution determine whether that competency can be included in the enrollment status?

Additional Questions and Information

- Credit that is based solely on prior learning may not be incorporated into a student's enrollment status in a term-based program nor may it apply toward a student's completion of a payment period or an academic year for disbursement progression in a nonterm program.
- Competency-based programs are often based in part on a student's prior experience, so the institution must have a mechanism to distinguish credit that is earned only through prior learning assessment versus credit that is earned via instruction at the institution.
- Credit that is earned through prior learning assessment could apply for credit toward the student's program, but you cannot include it for Title IV purposes.

References

- Dear Colleague Letter GEN-14-23, Q&A #14
- 34 CFR 600.2

Additional Enrollment Status Questions

- How do census dates work for Pell Grants in CBE programs (including for programs made up of modules)?
- How much Pell Grant assistance can a student receive in a CBE program?

Calculating Pell & Iraq & Afghanistan Service Grant Awards

Scheduled Award, Award Year, and Annual Award | FSA Handbook, Volume 3, Chapter 3

Scheduled Award, Award Year, and Annual Award Questions

- How will you determine payment amounts for Pell Grants?

Additional Questions and Information

- If your program uses standard terms or nonstandard terms that are substantially equal and, combined, equal at least 30 weeks, the amount of the Pell Grant per term can be determined by using Formula 1: dividing the student's scheduled award by the number of terms in the academic year.
- If your program uses nonstandard terms that are not substantially equal, the amount of the Pell Grant disbursed per term is determined by using Formula 3: 1) dividing the number of weeks of instructional time in the term by the number of weeks of the instructional time in the academic year, and then 2) multiplying that fraction by the number of credit hours in the academic year.
- If your program is nonterm, the amount of Pell Grant funds disbursed per payment period will be determined by using Formula 4: half of the scheduled award at the beginning of the academic year and half when the student completes half of the hours and weeks in the academic year.

References

- 34 CFR 690.63

- Are there multiple start dates/cohorts? How do these fall in relation to the award (FAFSA) year of July 1 through June 30?

- For nonterm programs, you can receive Pell Grant aid for each competency one time, so while the amounts could vary depending on students eligible for Pell in each award year, the student will receive a maximum of only (e.g.) four years of Pell for a four-year academic program. However, this depends on the timing and aid years; see below for information on crossover payment periods.

Scheduled Award, Award Year, and Annual Award Questions

- How many courses/credits/competencies can a student enroll in?

Additional Questions and Information

- A student may receive only one scheduled Pell award for one award year (July 1 through June 30). If a payment period overlaps July 1, an institution may consider the payment period in either the prior or subsequent award year (crossover payment period). Institutions may not consider the period in both aid years. How you structure the timing of your cohorts may affect your students' eligibility for Pell due to crossover payment period considerations.

References

- 34 CFR 690.64

- Can students add/drop classes at their leisure, or is there a collaborative process with school officials at any time? Will you recalculate throughout a payment period?

- For Pell Grant purposes you may have a recalculation policy in which you establish a date after which a student's Pell Grant enrollment status will not be recalculated. (This is often called a census date.) If you choose to allow students to add/drop anytime, be aware of complications, especially if you do not have a recalculation date early in the payment period.

- 34 CFR 690.80(b)

Additional Scheduled Award, Award Year, and Annual Award Questions

- Is there an enrollment date cutoff? What is your census date?

Loan Periods & Amounts

Subsidized Loan Eligibility Time Limitation | FSA Handbook, Volume 3, Chapter 5

Subsidized Loan Eligibility Time Limitation Questions

- How will you determine payment amounts for Pell Grants?

Additional Questions and Information

- First-time borrowers after July 1, 2013, may not receive direct subsidized loans for a period that exceeds 150% of the published length of the program. This is known as the Subsidized Usage Limit Applies, or SULA, rule. An institution must determine the length of each student's program and report the student's continued enrollment in order for ED to accurately calculate the student's continued eligibility for subsidized loans.
- An institution must have a mechanism for carefully tracking the number of courses or competencies in which a student is enrolled, because the student's enrollment status will determine how much of the student's subsidized usage period is used each year.
- In a nonterm program, if a student takes longer to complete the coursework in an academic year than expected, the institution must extend both the length of its academic year and loan period in the Common Origination and Disbursement system to account for the additional time necessary to complete the competencies in the academic year.
- If a student withdraws during an academic year, the institution must adjust the student's loan period to exclude any terms or periods when the student did not attend at all.

References

- 34 CFR 685.200 (f)(4)(ii)
- Dear Colleague Letter GEN-13-13
- Dear Colleague Letter GEN-13-13

- How much/how many loans can a student borrow for the program?

- If a student takes longer than 150% of the published program length, the student could be subject to loss of eligibility for subsidized loans.

- 34 CFR 685.200 (f)(2)

Loan Periods, Academic Terms, and Program Length | FSA Handbook, Volume 3, Chapter 5

Loan Periods, Academic Terms, and Program Length Questions	Additional Questions and Information	References
<ul style="list-style-type: none"> • How much/how many loans can a student borrow for the program? 	<ul style="list-style-type: none"> • A student can borrow up to one annual loan limit per academic year. 	
<ul style="list-style-type: none"> • What happens when a student changes programs or schools? 	<ul style="list-style-type: none"> • Students are eligible for different amounts of loans depending on grade level. An institution has the discretion to choose when a student reaches each grade level. Your institution will need to define these levels in the context of your CBE programs, and this could be different from how you consider grade levels for non-CBE programs. 	
<ul style="list-style-type: none"> • Do you permit students to transfer in or transfer between CBE programs and other programs at your institution? 	<ul style="list-style-type: none"> • There are implications for a student’s loan awards if the student transfers between institutions or between programs at your institution. • If a student transfers between a nonterm program and a term-based program or vice versa, generally the institution must withdraw the student from the prior program and enroll him/her in the new program as if the student were a transfer student. 	

Additional Loan Periods, Academic Terms, and Program Length Questions

- How do you know when a student is at a freshman, sophomore, junior, or senior level?

Appendix

List of C-BEN 2014–2015 Business Processes and Systems Strand Members

BUSINESS PROCESSES AND SYSTEMS STRAND

Joellen Shendy <i>Strand Lead</i>	University of Maryland University College
Lesa Beals	Purdue University
Amy Berendes	University of Wisconsin - Extension
Robin Berenson	Excelsior College
Jay Box	Kentucky Community & Technical College System
Kevin Brockbank	Salt Lake Community College
Bernard Bull	Concordia University Wisconsin
Ed Callahan	Brandman University
Lee Carrillo	Central New Mexico College
Fang Chen	Central New Mexico Community College
Kris Clerkin	Southern New Hampshire University
Tawnie Cortez	Rasmussen College
Lyda Costello-Kiser	Lord Fairfax Community College
Donna Diller	Central New Mexico Community College
Phillip Doolittle	Brandman University
Brendan Farley	Walden University
Franz Feierbach	Salt Lake Community College
Jason Fish	Purdue University
Rebecca Garrett	North Arizona University
Eric Heiser	Salt Lake Community College
Chris Hofman	University of Wisconsin - Extension
Frederick Hurst	Northern Arizona University
Robert Johnson	Commonwealth College at Kentucky Council on Postsecondary Education
Laura Kite	University of Wisconsin - Extension
Amy Lash-Esau	Southwestern College
Mark Leuba	Pathway Technology
Ryan Lewis	Westminster College
Adam Love	Westminster College
John Milam	Lord Fairfax Community College
Phil Neal	Kentucky Community & Technical College System
Shelly Neal	Brandman University
Mike Offerman	Independent Consultant
Eugene Padilla	Central New Mexico Community College
Joni Rankin	Southwestern College
Marty Parsons	University of Maine Presque Isle
Gale Rhodes	University of Louisville
Carrie Riley	Salt Lake Community College
Betty Ring	University of Maryland University College
Paul Robinson	University of Michigan
Jenny Allen Ryan	Westminster College
William Ryan	Kentucky Community & Technical College System
Jim Selbe	Kentucky Community & Technical College System
Jennifer Share	Southern New Hampshire University
Jon Sizemore	University System of Georgia
Angela Turner	Danville Community College
Christina Whitfield	Kentucky Community & Technical College System

About the Competency-Based Education Network (C-BEN)

The Competency-Based Education Network (C-BEN) is a group of regionally accredited two- and four-year public and private colleges and universities working together to address shared challenges to designing, developing and scaling high-quality CBE programs. C-BEN institutions have developed or are developing affordable, high-quality CBE programs capable of serving many more students of all backgrounds. Additionally, member institutions are offering or will offer programs with well-defined learning outcomes and rigorous assessments. The C-BEN Board of Directors, comprising innovators from several participating institutions, guides the work to provide an evidence-based approach to advancing CBE across the country.

C-BEN can be found online at CBENetwork.org and on Twitter at [@CBENetwork](https://twitter.com/CBENetwork).

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