

118TH CONGRESS
2D SESSION

H. R. 7495

To amend the Higher Education Act of 1965 to create a demonstration project for competency-based education and clarify eligible competency-based education programs.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 29, 2024

Mr. GROTHMAN (for himself, Ms. PETERSEN, and Mr. OWENS) introduced the following bill; which was referred to the Committee on Education and the Workforce

A BILL

To amend the Higher Education Act of 1965 to create a demonstration project for competency-based education and clarify eligible competency-based education programs.

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 “Empowering Learners
5 through Competency-Based Education Act”.

6 **SEC. 2. FINDINGS.**

7 Congress finds the following:

1 (1) Competency-based education, in which the
2 measurement of learning in place of the measure-
3 ment of time is a distinguishing feature, is an effi-
4 cient, effective, and rigorous form of postsecondary
5 education, the widespread adoption of which is nec-
6 essary and desirable as a means of improving learn-
7 ing outcomes, student success, and reducing the cost
8 of higher education in the United States, and it is
9 therefore necessary to clarify the definition of and
10 requirements for competency-based education so as
11 to facilitate its application and availability.

12 (2) Reputable and responsible institutions of
13 higher education have for many years developed, of-
14 fered, and demonstrated the academic rigor, effec-
15 tiveness, and outcomes of competency-based edu-
16 cation.

17 (3) An increasing number of institutions of
18 higher education now seek to develop and offer com-
19 petency-based education.

20 (4) The collection and dissemination of com-
21 plete and reliable information respecting the impact
22 of competency-based education on the quality of
23 learning, employability and employer acceptance, re-
24 tention, time to completion, graduation rates, and
25 cost will significantly enhance the adoption of com-

1 competency-based education as an essential component
2 of postsecondary education in the United States.

3 (5) It is in the public interest to improve the
4 efficiency and value of postsecondary education and
5 therefore support the offering of competency-based
6 education.

7 **SEC. 3. GENERAL DEFINITIONS.**

8 Section 103 of the Higher Education Act of 1965 (20
9 U.S.C. 1003) is amended by adding at the end the fol-
10 lowing:

11 “(25) COMPETENCY; COMPETENCY-BASED EDU-
12 CATION PROGRAM.—

13 “(A) COMPETENCY.—The term ‘com-
14 petency’ means the knowledge, skill, abilities
15 and behaviors needed for a particular field of
16 study or work-based context.

17 “(B) COMPETENCY-BASED EDUCATION
18 PROGRAM.—The term ‘competency-based edu-
19 cation program’ means a postsecondary pro-
20 gram, including one defined under section
21 481(b)(4), that provides competency-based edu-
22 cation for which the accrediting agency or asso-
23 ciation of the institution of higher education of-
24 fering such program has approved the program
25 in accordance with such standards—

1 “(i) measures academic progress and
2 credential attainment by the assessment of
3 student learning in lieu of, or in addition
4 to, credit or clock hours;

5 “(ii) measures and assesses such aca-
6 demic progress and attainment in terms of
7 a student’s mastery of competencies by
8 identifying what students know through
9 criterion referenced or performance-based
10 assessment;

11 “(iii) provides the educational content,
12 activities, support, and resources necessary
13 to enable students to develop and attain
14 the competencies that are required to dem-
15 onstrate mastery of such competencies in
16 which instructors are responsible for pro-
17 viding academic assistance, when needed;
18 and

19 “(iv) upon a student’s demonstration
20 or mastery of a set of competencies identi-
21 fied and required by the institution, leads
22 to or results in the awarding of a creden-
23 tial.”.

1 **SEC. 4. REPORTING ON COMPETENCY-BASED EDUCATION**
2 **PROGRAMS.**

3 Section 131 of the Higher Education Act of 1965 (20
4 U.S.C. 1015) is amended by adding at the end the fol-
5 lowing:

6 “(i) REPORTING ON COMPETENCY-
7 BASED EDUCATION PROGRAMS.—

8 “(1) Not later than 6 months after the date of
9 enactment of the Empowering Learners through
10 Competency-Based Education Act, the Secretary
11 shall, for each institution that has more than 200
12 students enrolled in competency-based education
13 programs in an academic year (as defined in section
14 481(a)), collect, verify, and make publicly available
15 on the same data that is in College Scorecard, or
16 any similar successor website.

17 “(2) Information on competency-based edu-
18 cation programs conducted under this section as de-
19 scribed at paragraph (3) of this subsection shall be
20 collected by the Secretary for the purpose of evalu-
21 ating best practices respecting the administration of
22 such programs, including effects on student out-
23 comes, time to credential, total price, and job place-
24 ment, and shall annually report to the Congress re-
25 specting such findings.

1 “(3) For the purposes described in subsections
2 (1) and (2) of this section, the Secretary shall collect
3 the following information for each eligible institution
4 offering competency-based education:

5 “(A) The tuition and fees of the program
6 and any other components of student’s cost of
7 attendance (as defined in section 472) that are
8 required for enrollment.

9 “(B) The median earnings of students who
10 complete and do not complete the program.

11 “(C) The median time to credential.

12 “(D) The number and percentage of stu-
13 dents who complete a credential within 100 per-
14 cent, 150 percent, and 200 percent of the pub-
15 lished length of the program.

16 “(E) The number and percentage of stu-
17 dents completing the program who are em-
18 ployed not later than 180 days and 1 year, re-
19 spectively, after completing the eligible pro-
20 gram, if available.”.

21 **SEC. 5. DEFINITIONS OF ACADEMIC YEAR AND ELIGIBLE**
22 **PROGRAM.**

23 Section 481 of the Higher Education Act of 1965 (20
24 U.S.C. 1088) is amended—

1 (1) in subsection (a)(2), by inserting the fol-
2 lowing:

3 “(C) For any program of competency-
4 based education (as defined in section 103 of
5 this Act), the term ‘academic year’ shall require
6 an equivalent to the credit and clock hour re-
7 quirements in subparagraphs (A) and (B) of
8 this subsection.”; and

9 (2) for purposes of this Act, the term “eligible
10 program” includes a competency-based education
11 program.

12 **SEC. 6. COMPETENCY-BASED EDUCATION DEMONSTRATION**
13 **PROJECTS.**

14 Part G of title IV of the Higher Education Act of
15 1965 (20 U.S.C. 1088 et seq.) is amended by inserting
16 after section 486A the following:

17 **“SEC. 486B. COMPETENCY-BASED EDUCATION DEMONSTRA-**
18 **TION PROJECTS.**

19 “(a) DEMONSTRATION PROJECTS AUTHORIZED.—
20 The Secretary shall select, in accordance with subsection
21 (d), eligible entities that voluntarily seek to carry out com-
22 petency-based education demonstration projects for a du-
23 ration of 5 years and receive waivers or other flexibility
24 described in subsection (e) to carry out such projects.

25 “(b) APPLICATION.—

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

6 “(2) OUTREACH.—The Secretary shall, prior to
7 any deadline to submit applications under paragraph
8 (1), conduct outreach to institutions of higher edu-
9 cation, in particular to institutions eligible for pro-
10 grams under titles III and V of this Act, as well as
11 institutions that predominantly enroll adult learners
12 or students with disabilities, or are located in rural
13 areas.

14 “(3) AMENDMENTS.—

15 “(A) IN GENERAL.—An eligible entity that
16 has been selected to carry out a demonstration
17 project under this section may submit to the
18 Secretary amendments to the eligible entity’s
19 approved application under paragraph (1), at
20 such time and in such manner as the Secretary
21 may require, which the Secretary shall approve
22 or deny within 30 days of receipt.

23 “(B) EXPANDING ENROLLMENT.—Not-
24 withstanding the assurance required with re-
25 spect to maximum enrollment under paragraph

1 (4)(N), an eligible entity whose demonstration
2 project has been evaluated under subsection
3 (g)(2) not less than twice, may submit to the
4 Secretary an amendment to the eligible entity's
5 application under paragraph (1) to increase en-
6 rollment in the project to more than 3,000 stu-
7 dents, but not more than 5,000 students, and
8 which shall specify—

9 “(i) the proposed maximum enroll-
10 ment and annual enrollment growth for the
11 project;

12 “(ii) how the eligible entity will suc-
13 cessfully carry out the project with such
14 maximum enrollment and enrollment
15 growth;

16 “(iii) any other amendments to the el-
17 igible entity's application under paragraph
18 (1) that are related to such maximum en-
19 rollment or enrollment growth; and

20 “(iv) the Secretary shall determine
21 whether to approve or deny an amendment
22 submitted under clause (i) for a dem-
23 onstration project based on the project's
24 evaluations under subsection (g)(2).

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

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

6 “(B) a description of the alignment of the
7 proposed competency-based education program
8 to the institution’s mission, and evidence of in-
9 stitutional commitment to such program;

10 “(C) a description of how each program
11 will work with employers and local industry to
12 assess and incorporate competencies that are
13 relevant in the labor market and how the pro-
14 gram aligns with employer needs;

15 “(D) a description of the proposed aca-
16 demic design, academic and support services,
17 delivery, business, and financial models for the
18 demonstration project, including explanations
19 and supporting documents of how each com-
20 petency-based education program offered under
21 the demonstration project will—

22 “(i) result in the achievement of com-
23 petencies;

1 “(ii) differ from standard credit or
2 clock hour approaches, in whole or in part;
3 and

4 “(iii) may result in an improvement in
5 one or more student outcomes metrics de-
6 scribed in subparagraph (R)(i);

7 “(E) a description of how each com-
8 petency-based education program offered under
9 the demonstration project will award academic
10 credit to advance the progress of a student to-
11 ward completion of a certificate or degree that
12 is used by in-demand employers for making em-
13 ployment decisions;

14 “(F) a description of how each com-
15 petency-based education program offered under
16 the demonstration project is aligned with a ca-
17 reer pathway (as defined in section 3 of the
18 Workforce Innovation and Opportunity Act (29
19 U.S.C. 3102)), if applicable;

20 “(G) a description of the meaningful role
21 of the appropriate instructors of the eligible en-
22 tity in the development, design, implementation,
23 delivery, and evaluation of each such com-
24 petency-based education program;

1 “(H) a description of how the eligible enti-
2 ty will facilitate transfer, postsecondary study,
3 and employer understanding by articulating a
4 competency-based transcript from a com-
5 petency-based education program offered under
6 the demonstration project to a credit or clock
7 hour transcript at another program at the eligi-
8 ble entity and to other institutions of higher
9 education;

10 “(I) a description of the statutory and reg-
11 ulatory requirements described in subsection (e)
12 for which the eligible entity is seeking a waiver
13 or other flexibility, and why such waiver or
14 flexibility is necessary to carry out the dem-
15 onstration project;

16 “(J) a description of indicators of a pro-
17 gram’s effectiveness to inform how a third
18 party will reliably assess student learning for
19 each competency-based education program of-
20 fered under the demonstration project, if appli-
21 cable;

22 “(K) a description of how the eligible enti-
23 ty will develop and evaluate the competencies
24 and assessments of student knowledge adminis-
25 tered as part of the demonstration project, in-

1 including whether there is a relationship between
2 the competency unit and a traditional credit or
3 clock hour, the average time it takes to earn a
4 competency, how such competencies and assess-
5 ments are aligned with workforce needs and any
6 other considerations the institution made when
7 it developed its unit of competency;

8 “(L) a description of the proposal for de-
9 termining a student’s Federal student aid eligi-
10 bility under this title for participating in the
11 demonstration project, the award and distribu-
12 tion of such aid, and the safeguards to ensure
13 that students are making satisfactory progress
14 that warrants the disbursement of such aid;

15 “(M) an assurance that the demonstration
16 project at each eligible entity—

17 “(i) will enroll a minimum of 30 stu-
18 dents and a maximum of 3,000 students
19 or, in the case of an eligible entity with an
20 application amendment approved under
21 paragraph (3)(B), the maximum enroll-
22 ment approved under such paragraph;

23 “(ii) will identify and disseminate best
24 practices with respect to the demonstration
25 project to the Secretary and to other eligi-

1 ble entities carrying out a demonstration
2 project under this section;

3 “(iii) operates under an agreement
4 with the accrediting agency or association
5 of the eligible entity to establish the stand-
6 ards described in subsection (c); and

7 “(iv) uses available funds solely for
8 purposes of awarding academic credit to el-
9 igible students based on the achievement of
10 competencies and for the related costs or
11 fees of demonstrating the achievement of
12 competencies;

13 “(N) a description of the population of stu-
14 dents to whom competency-based education
15 under the demonstration project will be offered,
16 including demographic information and prior
17 educational experience, disaggregated by stu-
18 dents who are Federal Pell Grant recipients,
19 the race of the students, students with disabil-
20 ities, students who are veterans or members of
21 the Armed Forces, adult learners, and first gen-
22 eration college students, and how such eligible
23 entity will, when appropriate, address the spe-
24 cific needs of each such population of students
25 when carrying out the demonstration project;

1 “(O) a description of how the institution is
2 ensuring that students participating in the dem-
3 onstration project will not, on average, be eligi-
4 ble for more or less Federal assistance under
5 this title than such students would have been
6 eligible for under a program measured in credit
7 or clock hours;

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

18 “(Q) a description of how the eligible enti-
19 ty will use data to—

20 “(i) define and measure student out-
21 comes;

22 “(ii) ensure that each competency-
23 based education program under the dem-
24 onstration project meets the benchmarks

1 established in accordance with subsection
2 (d)(2)(E);

3 “(iii) confirm relevancy of com-
4 petencies in the labor market; and

5 “(iv) improve each such program.

6 “(c) RECOGNITION BY ACCREDITING AGENCY OR AS-
7 SOCIATION.—Unless a program has already been recog-
8 nized as a competency-based education program (including
9 as a direct assessment program) by the accrediting agency
10 or association of the eligible entity, in order to carry out
11 a competency-based education program under a dem-
12 onstration project under this section, an eligible entity
13 shall include in its application under subsection (b), a let-
14 ter from the accrediting agency or association of the eligi-
15 ble entity that describes how it will establish and enforce
16 certain standards with respect to such competency-based
17 education program.

18 “(d) SELECTION.—

19 “(1) IN GENERAL.—Not later than 12 months
20 after the date of enactment of the Empowering
21 Learners through Competency-Based Education Act,
22 the Secretary shall select eligible entities to carry
23 out an demonstration project under this section
24 under which at least one competency-based edu-
25 cation program is offered at each eligible entity.

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

3 “(A) consider the number and quality of
4 applications received;

5 “(B) consider an eligible entity’s—

6 “(i) ability to successfully execute the
7 demonstration project as described in the
8 eligible entity’s application under sub-
9 section (b);

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

12 “(iii) ability to provide administrative
13 capability and the expertise to evaluate
14 student progress based on measures other
15 than credit hours or clock hours;

16 “(iv) history of compliance with the
17 requirements of this Act;

18 “(v) commitment to work with the
19 Secretary to evaluate the demonstration
20 project and the impact of the demonstra-
21 tion project under subsection (g)(2);

22 “(vi) commitment and ability to as-
23 sess student learning through a third
24 party, as applicable;

1 “(vii) commitment of the accrediting
2 agency or association of the eligible entity
3 to establish and enforce the standards de-
4 scribed in subsection (c); and

5 “(viii) commitment to collaboration
6 with an employer to determine how the
7 demonstration project will meet employer
8 needs;

9 “(C) ensure the selection of a diverse
10 group of eligible entities with respect to size,
11 mission, student population, and geographic
12 distribution;

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

16 “(E) not select an eligible entity that, for
17 1 or both of the preceding 2 fiscal years—

18 “(i) was under probation or an equiv-
19 alent status from the accrediting agency or
20 association of the eligible entity; and

21 “(ii) was under sanction from the au-
22 thorization agency of the State in which
23 the eligible entity is located.

24 “(e) WAIVERS AND OTHER FLEXIBILITY.—

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

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

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

17 “(2) PROVISIONS ELIGIBLE FOR WAIVERS.—
18 The Secretary may waive the following under para-
19 graph (1)(A):

20 “(A) Subparagraphs (A) and (B) of section
21 102(a)(3).

22 “(B) Section 484(l)(1).

23 “(3) PROVISIONS ELIGIBLE FOR FLEXI-
24 BILITY.—The Secretary may provide the flexibility
25 described in paragraph (1)(B) with respect to the re-

1 requirements under provisions in title I, part F of this
2 title, or this part, that inhibit the operation of a
3 competency-based education program, relating to the
4 following:

5 “(A) Documenting attendance.

6 “(B) Weekly academic activity.

7 “(C) Minimum weeks of instructional time.

8 “(D) Requirements for credit hour or clock
9 hour equivalencies if an institution proposes a
10 measure clearly defined in its application that
11 accounts for the academic intensity of study.

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

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

20 “(G) Methods of disbursing student finan-
21 cial aid by institutions of higher education se-
22 lected, as of the date of enactment of the Em-
23 powering Learners through Competency-Based
24 Education Act, as experimental sites under sec-

1 tion 487A(b)(3) to carry out competency-based
2 education programs.

3 “(f) NOTIFICATION.—Not later than 9 months after
4 the date of enactment of the Empowering Learners
5 through Competency-Based Education Act, the Secretary
6 shall make available to the authorizing committees and the
7 public a list of eligible entities selected to carry out a dem-
8 onstration project under this section, which shall include
9 for each such eligible entity—

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

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

16 “(g) EVALUATION AND REPORT.—

17 “(1) EVALUATION.—The Secretary shall evalu-
18 ate the demonstration programs authorized under
19 this section on an annual basis. Such evaluations
20 specifically shall review—

21 “(A) the extent to which the institution,
22 has met the goals set forth in its application to
23 the Secretary;

24 “(B) the number and types of students
25 participating in the programs offered, including

1 the progress of participating students toward
2 recognized certificates or degrees and the extent
3 to which participation in such programs in-
4 creased;

5 “(C) issues related to student financial as-
6 sistance for competency-based education; and

7 “(D) the extent to which statutory or regu-
8 latory requirements not waived under the dem-
9 onstration program present difficulties for stu-
10 dents or institutions.

11 “(2) REPORT.—No later than 1 year after the
12 conclusion of the demonstration program, the Sec-
13 retary shall provide a final report to the authorizing
14 committees regarding—

15 “(A) the demonstration programs author-
16 ized under this section;

17 “(B) the number and types of students re-
18 ceiving assistance under this title for instruc-
19 tion leading to a recognized credential, certifi-
20 cate, or degree, including the progress of such
21 students toward recognized credential, certifi-
22 cate, and the degree to which participation in
23 such programs leading to such certificates in-
24 creased;

1 “(C) identified policies that present im-
2 pediments to the development and use of com-
3 petency-based education; and

4 “(D) any new understanding of com-
5 petency and competency-based education and
6 recommendations on how the definitions of such
7 terms should be modified.

8 “(h) OVERSIGHT.—In conducting the demonstration
9 program authorized under this section, the Secretary
10 shall, on a continuing basis—

11 “(1) assure compliance of institutions with the
12 requirements of this title (other than the sections
13 and regulations that are waived under subsections
14 (b)(2) and (b)(3)(D)); and

15 “(2) provide technical assistance;”.

16 **SEC. 7. RULES OF CONSTRUCTION.**

17 Nothing in this Act shall prevent a program that is
18 an eligible program as of the date of enactment of the
19 Empowering Learners through Competency-Based Edu-
20 cation Act, including an eligible program that met the re-
21 quirements of a direct-assessment program under section
22 481(b)(4) (as in effect the day before the date of enact-
23 ment of this Act), from continuing to be an eligible pro-

1 gram during the period that such program meets the re-
2 quirements under the Higher Education of Act 1965.

○