EXPERIMENTAL SITES INITIATIVE OVERVIEW
Educational Quality through Innovative Partnerships (EQUIP)

October 26, 2015

TOPLINE

On October 15, the Department of Education underlined announced its latest Experimental Sites Initiative (ESI), called the Educational Quality through Innovative Partnerships (EQUIP) program.

The new experiment offers institutions of higher education waivers from current law in order to enable undergraduate students or those seeking post-baccalaureate certificates, to receive federal financial aid when enrolled in programs created in partnership with non-accredited education providers (e.g., coding boot camps, accelerated learning providers, and MOOCs). The primary focus is to expand access to these programs to low-income undergraduate students.

A critical component of the experiment is the utilization of a Quality Assurance Entity that can monitor the effectiveness of these programs by tracking their learning and job placement outcomes.

GOALS

The EQUIP experiment has four main goals:

1. Determine whether partnerships can increase access to non-traditional providers, especially for low-income students.
2. Examine student outcomes for non-traditional programs.
3. Evaluate appropriate quality assurance mechanisms for non-traditional programs.
4. Explore taxpayer and student protection for these new types of programs.

ELIGIBILITY

- In order to apply, institutions must already be eligible to receive Title IV funds under the Higher Education Act (and therefore be accredited). Accredited for-profit postsecondary institutions are also eligible, but must satisfy federal gainful employment regulations in order to participate.

- From a practical standpoint, the program asks colleges and universities to apply to create a new program of study, in partnership with non-accredited providers. The program must result in some sort of credential for completion (but does not have to be an Associate's or Bachelor's Degree).

- The experiment is focused on undergraduate students and does not allow the use of graduate student aid. The institution must choose one of two Title IV aid program options:
  - Allowing students to be eligible for Pell grants only, or
  - Allowing students to be eligible for Pell grants, as well as undergraduate Stafford loans and campus-based aid programs. (Note: students pursuing post-baccalaureate certificates can also access Direct Undergraduate loans.)
- The experiment creates an opportunity for accredited colleges and universities to receive waivers from established laws and rules governing the administration of student aid:
  - The 50% Rule: Typically, a provider that is not eligible to receive Title IV aid (e.g., an unaccredited coding boot camp) may not provide more than 50% of the program of study. Under the ESI, up to 100% of the program may be offered by the non-accredited provider. 34 CFR 668.5(c)(3).
  - Participating Institution: Currently, federal aid can only be given to students at an institution that is eligible to participate in Title IV. This experiment is waiving that requirement, allowing aid to flow to programs provided by an institution not currently eligible for Title IV. 34 CFR 668.8(a).
  - Minimum Program Length: In order to receive federal aid, students must typically be enrolled in a program for 15 weeks. Under the waiver, however, programs must be equivalent to 12 semester hours or 450 clock hours and be at least 8 weeks in length. Section 481(b)(1)(A) of the HEA and 34 CFR 668.8(d)(1)(i) and (ii).
  - Satisfactory Academic Progress (SAP): Currently, institutions of higher education are responsible for demonstrating a student's SAP every academic year in order to maintain eligibility for that student, for purposes of federal financial aid. Because the duration of the programs envisioned under the waiver would be far shorter than a year, the typical requirements for determining SAP may be modified under the waiver so that institutions could evaluate progress based on the length of the experimental program. Section 484(c) of the HEA and 34 CFR 668.34(a)(3)(ii), (a)(5)(ii), and (b).

APPLICATION PROCESS

- There are three phases to the application process:
  - Institutions submit letters of interest (due by December 14, 2015). The Department may, however, consider letters submitted after this date.
  - Following the submission of letters of interest, the Department will select a limited number of institutions to submit a complete application, which will include the full details of the experiment.
  - Selected Institutions must sign agreements with the Department and submit the program for final review and approval. Following the approval, the programs will be eligible for aid.
- In order to participate, colleges and universities must also submit the new program they create to their accrediting agency for inclusion in the institution's existing

accreditation. The institution must receive a determination from the accreditor, indicating the experiment is appropriate within the current scope of the institution's accreditation.

SELECTION CRITERIA

- It is important to note that the Department will only provide access to Title IV aid for a limited number of programs that the Department identifies as outstanding applicants to the experiment. Specifically, five broad sets of criteria will be used during the selection process to evaluate applications:

  - Innovative approach to helping students achieve positive outcomes;

  - Equity and access, particularly for students from low-income backgrounds;

  - Rigorous proposed quality assurance process;

  - Affordability of the programs; and

  - Strong proposed student and taxpayer protections.

- The Department will also consider diversity across various institutional characteristics including but not limited to: type, location, size, and current Title IV participation, as well as other information the department collects such as completion rates, cohort default rates and gainful employment.

- In order to be selected, institutions must also have a strong track record for outcomes with low-income students.

QUALITY ASSURANCE ENTITY

The ESI introduces a new concept and entity called a Quality Assurance Entity (QAE), which will serve as an external validator and evaluator of programmatic success, beyond the accreditor, provider or higher education institution. The QAE must be independent and will be tasked with developing a review process based on the quality assurance questions, monitoring the programs, and reporting on performance.

- QAEs may be employer associations, existing accreditors (as long as the proposed quality assurance process is new, meets the requirements, and does not create conflicts of interest), accounting firms, or entities created specifically for this purpose.

- The Department prefers that each participating institution have a single organization as its QAE, but recognizes that some applicants may opt for two or more.

- If the quality standards set by the QAE are not being met, the Department may suspend or terminate the program.

- Although the Department is still refining their set of quality assurance questions, participating institutions are responsible for ensuring that their QAEs have a thorough quality assurance process to monitor outcomes based on the following areas (with examples of the questions needing to be evaluated):

- <u>Claims for learning</u>—learning outcomes, how the relevance of those claims is established, how they measure their success in meeting those claims, and how institutions will be held accountable.

- <u>Assessment and student work</u>—how students in the program are assessed, whether the assessments measure the knowledge and skills covered by the program and accurately predict competency in the future, and how often the QAE reviews the assessments.

- <u>Outputs</u>—performance on program assessments, retention and withdrawal rates, average time to completion, completion rate, program outcomes (such as employment and job placement rates in the field of study, transfer rates, median starting salaries, certifications/licensure exam passage rates), tuition versus earnings, debt versus earnings, and student satisfaction. Wherever applicable, the application asks that outcomes are disaggregated in order to show outcomes for low-income students.

- <u>Management</u>—stability of the non-traditional provider(s), privacy and security, transparent student recruitment and pricing, materials accessible to students with disabilities, and process for improvement.

__Note:__ ESI is a complicated and technical policy lever. This overview is meant to be a general primer related to the recently released EQUIP experiment. For more information or additional details, please contact Ben Wallerstein at Ben@whiteboardadvisors.com.