



Legislative Bulletin.....July 23, 2014

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H.R. 3136 -Advancing Competency-Based Education Demonstration Project Act of 2013

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Order of Business: [H.R. 3136](#) is scheduled to be considered on July 23, 2014, under a structured [rule](#) which provides for one hour of general debate equally divided and makes in order eleven amendments found at the end of this bulletin.

Summary: This bill amends the Higher Education Act of 1965 to allow the Secretary of Education to select up to 20 eligible entities to voluntarily carry out demonstration projects that explore ways of delivering education and disbursing student financial aid that are based on learning gains rather than credit hours, a system known as competency-based education. The purpose of instituting these demonstration projects is to potentially lower the cost of higher education and reduce the time necessary to attain a degree. In addition, these projects will help determine the specific statutory and regulatory requirements that should be altered and the most effective way of delivering competency-based education via degree programs.

To participate, institutions of higher education will submit an application to the Secretary which includes a description of the competency-based education to be offered, the business and financial models, a description of the statutory and regulatory requirements for which a waiver is sought, a description on how to determine financial aid, and a statement of goals and program integrity. No more than 6 months after enactment, the Secretary will choose up to 20 institutions to participate. The Secretary will annually evaluate each program to evaluate the extent to which the goals were met, the progress of the students, and obstacles and difficulties faced due to statutory or regulatory requirements. An annual report from the Secretary will be provided to authorizing committees on the results of the evaluation. Finally, the Secretary is tasked with continued oversight of the demonstration projects on a continuing basis.

Additional Background: Due to rising college costs and limited state and federal budgets, there has been an effort to encourage institutions of higher education and students to find innovative ways to change the traditional higher education model. For the 2011-12 school year, the [average](#) undergraduate tuition was \$14,300 at public institutions and \$37,800 at private nonprofit

institutions. Currently, credit hours are used as the standard to measure student progress. However, with the advancement of technology, this measure may no longer be the only way to adequately measure progress. According to the committee [report](#), “competency-based programs define a collection of competencies or skills for a given field of study; create assessments; and provide students with course materials, instructional mentors, tutors, and proctored exams aligned with the competencies.” Some schools have begun experimenting with these programs but, unfortunately, federal student aid programs have not kept pace with changes in learning and technologies and challenges have arisen since most student aid is distributed on a credit hour calculation.

Committee Action: H.R. 3136 was introduced by Representative Salmon on September 19, 2013, and referred to the House Committee on Education and Workforce. On July 10, 2014, a [mark-up](#) was held the bill was reported out, as amended, by voice vote.

Administration Position: The Administration supports passage of H.R. 3136, Advancing Competency-Based Education Demonstration Project Act of 2014. “The Administration urges the Congress to do more to ensure that college is affordable for American families. This is particularly important today, when a college education is critical to ensuring that our workforce has the skills needed to meet the demands of the Nation's growing economy. The Administration looks forward to working with Congress to improve the legislation.”

Cost to Taxpayers: [CBO](#) estimates that implementing H.R. 3136 would require \$1 million for administrative costs for the department over the 2015-2019 period, assuming the availability of appropriated funds. Additionally, CBO projects that enacting the bill could affect direct spending for student loans and Pell grants; therefore, pay-as-you-go procedures apply. However, CBO estimates that any direct spending effects would be insignificant for each year and over the 2015-2024 period. Enacting the bill would have no effect on revenues.

Amendments Made in Order:

[Kline \(R-MN\), George Miller \(D-CA\) #13](#) – This amendment makes minor technical corrections to the original bill. In addition, it includes a section requiring the Secretary of Education to disseminate best practices with respect to the demonstration projects under this bill.

[Jackson Lee \(D-TX\) #3](#) – Requires the Secretary to reach out to historically Black colleges and universities, Hispanic-serving institutions, Native American-serving, non-tribal institutions, institutions serving students with special needs, and institutions located in rural areas prior to any deadlines to submit applications to provide information about this demonstration project.

[Walberg \(R-MI\) #12](#) – This amendment allows participating eligible entities to apply to expand their approved projects beyond the 3,000 student maximum to no more than 5,000 students if the past two evaluations warrant such expansion.

[McNerney \(D-CA\) #10](#) – Requires applicants to provide a description of their population of students that are veterans or members of the Armed Forces, and if chosen, how the entity will incorporate their specific needs when carrying out the demonstration project.

[Byrne \(R-AL\) #11](#) – Increases the number of eligible entities from 20 to 30.

[Langevin \(D-RI\), Thompson \(R-PA\) #1](#) – Allows eligible entities selected to participate in the demonstration project to provide the Director of the Institute of Education Sciences information on the number and percentage of students who participated in the competency-based program who find employment in a field related to the program or course of study.

[Duffy \(R-WI\) #19](#) – Requires entities carrying out demonstration projects to provide a disclosure letter to students, or parents of minor students, enrolled in the institution when the institution enters into an agreement with a person or company that is allowed to sell personally identifiable information collected from the application provided to the student. In addition, they must provide an option on how to opt-out.

[Gowdy \(R-SC\), Welch \(D-VT\) #15](#) – Permits the participation of dual enrollment programs. These programs allow a secondary school student to simultaneously earn credit toward a secondary school diploma and a postsecondary degree, certificate, or credential.

[Grayson \(D-FL\) #8](#) – Directs the Secretary of Education, in consultation with the Commissioner of the Internal Revenue Service to conduct a study on the feasibility and advantages and disadvantages of using individual income tax returns as the primary form of application for student aid. A report will be submitted one year after the date of enactment containing the results of the study.

Does the Bill Expand the Size and Scope of the Federal Government?: No.

Does the Bill Contain Any New State-Government, Local-Government, or Private-Sector Mandates?: H.R. 3136 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would impose no costs on state, local, or tribal governments.

Does the Bill Contain Any Federal Encroachment into State or Local Authority in Potential Violation of the 10th Amendment?: No.

Does the Bill Delegate Any Legislative Authority to the Executive Branch?: No.

Does the Bill Contain Any Earmarks/Limited Tax Benefits/Limited Tariff Benefits?: H.R. 3136 does not contain any congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9 of House Rule XXI.

Constitutional Authority: According to the sponsor, “Congress has the power to enact this legislation pursuant to the following: Article I, Section 8 of the Constitution of the United States of America.” Read the statement [here](#).

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