

**DEPARTMENT OF EDUCATION****Notice Inviting Postsecondary Educational Institutions To Participate in Experiments Under the Experimental Sites Initiative; Federal Student Financial Assistance Programs Under Title IV of the Higher Education Act of 1965, as Amended**

**AGENCY:** Office of Postsecondary Education, Department of Education.

**ACTION:** Notice.

**SUMMARY:** The Secretary invites postsecondary educational institutions (institutions) that participate in the student financial assistance programs authorized under title IV of the Higher Education Act of 1965, as amended (HEA), to apply to participate in a new institutionally based experiment under the Experimental Sites Initiative (ESI). Under the ESI, the Secretary has authority to grant waivers from certain title IV, HEA statutory or regulatory requirements to allow a limited number of institutions to participate in experiments to test alternative methods for administering the title IV, HEA programs. The alternative methods of title IV, HEA program administration that the Secretary is permitting under the ESI are designed to facilitate efforts by institutions to test certain innovative practices aimed at improving student outcomes and the delivery of services.

**The Experiment**

The Educational Quality through Innovative Partnerships (EQUIP) experiment is intended to encourage increased innovation in higher education through partnerships between the participating institutions and non-traditional providers in order to learn whether those partnerships increase access to innovative and effective educational programs, particularly for students from low-income backgrounds; assess quality assurance processes appropriate for non-traditional providers and programs; and identify ways to protect students and taxpayers from risk in this emerging area of postsecondary education. Under this experiment, participating title IV-eligible postsecondary institutions will be provided a waiver to allow them to provide some types of Federal student aid under the title IV, HEA programs (title IV aid) to otherwise eligible students who are pursuing a program of study offered by the institution where 50 percent or more of the educational program is provided by one or more entities that are not traditionally eligible to participate in the title IV programs (non-traditional providers), through a

contractual agreement with the participating institution. A requirement of these partnerships between the participating institution and the non-traditional provider is that the educational program must have been approved by a quality assurance entity (QAE), engaged by the institution, that has expertise and capacity as described in this notice.

**DATES:** Letters of interest to participate in the proposed experiment described in this notice must be received by the Department no later than December 14, 2015 in order for an institution to ensure that it is considered for participation in the experiment. Institutions submitting letters that are received after December 14, 2015 may still be considered for participation, at the discretion of the Secretary.

**ADDRESSES:** Letters of interest must be submitted by electronic mail to the following email address: *experimentalsites@ed.gov*. For formats and other required information, see “Instructions for Submitting Letters of Interest” under **SUPPLEMENTARY INFORMATION**.

**FOR FURTHER INFORMATION CONTACT:** Warren Farr, U.S. Department of Education, Federal Student Aid, 830 First Street NE., Washington, DC 20002. Telephone: (202) 377-4380 or by email at: *Warren.Farr@ed.gov*.

If you use a telecommunications device for the deaf (TDD) or a text telephone (TTY), call the Federal Relay Service (FRS), toll free, at 1-800-877-8339.

**SUPPLEMENTARY INFORMATION:**

Instructions for Submitting Letters of Interest: Letters of interest must be submitted as a PDF attachment to an email message sent to the email address provided in the **ADDRESSES** section of this notice. The subject line of the email should read “ESI 2015—Educational Quality through Innovative Partnerships (EQUIP).” The text of the email should include the name and address of the institution.

The letter of interest must include the institution’s official name and Department of Education Office of Postsecondary Education Identification (OPEID) number, as well as the name, mailing address, email address, FAX number, and telephone number of a contact person at the institution. Additional details on the application process requirements are provided in the “Application and Selection” section in this notice.

The letter of interest should be on institutional letterhead and should be signed by at least two officials of the

institution. One of these officials should be the institution’s financial aid administrator, and the other should be an academic official of the institution.

Content of the Letter of Interest: The letter of interest should include a brief description of the educational program or programs that the institution is considering for inclusion in this experiment. For each of those programs, we are interested in information such as the name(s) of the non-traditional provider(s) with whom the institution intends to partner, an estimate of the number of title IV-eligible students who will be enrolled in the program, and the name of the QAE to be engaged, if known. The letter should indicate which of the following two title IV student aid program options the institution will choose (in all cases providing title IV aid only to otherwise eligible students): (1) Allowing students to be eligible for Pell Grants only; or (2) allowing students to be eligible for Pell Grants, undergraduate Direct Subsidized Loans and Direct Unsubsidized Loans, and the Campus-Based Programs. Direct PLUS Loans for parents and graduate students and Direct Unsubsidized Loans for graduate students are not included in this experiment. See “Application for Pell Grants Alone or for Pell Grants and Certain Other Title IV Aid” below for further information. The Department understands that the specific components of the actual programs developed may vary from the information submitted in the letter of interest.

Background: The landscape for learning in postsecondary education is undergoing tremendous development. Innovations in technology, pedagogy, and business models are driving rapid change. While much of this development has been led by traditional postsecondary institutions, there are also significant educational changes occurring outside of the traditional educational sector. Non-traditional providers have begun to offer educational opportunities to students in new ways, such as through intensive short-term programs, online or blended approaches, or personalized/adaptive learning. These opportunities have the potential to advance goals such as increased equity and access, more flexible and personalized learning, high-quality student outcomes, and reduced costs.

Although some of these educational opportunities show promise in advancing these priorities, they remain out of reach for many students, particularly those from low-income backgrounds, in part because they generally do not provide students with

access to title IV aid. The unavailability of title IV aid could increase the potential for educational inequity, because only those students with significant financial resources are able to enroll in these innovative programs, and it may constrain the growth of promising new approaches to learning.

Moreover, many of these non-traditional providers and educational opportunities are not subject to review by the traditional postsecondary accrediting agencies that historically have held the primary responsibility for ensuring academic quality in higher education. Since the purview of those accrediting agencies typically does not extend to non-traditional providers, these new providers lack the broadly recognized mechanisms for ensuring quality that are required for the Department to make title IV aid available. The lack of those structures may also reduce opportunities for external review and sharing of best practices in general that traditional accreditation can offer.

In general, under the Department's regulations, an eligible institution may enter into a contractual agreement with an institution or organization that is not eligible to participate in the title IV programs, under which the ineligible institution or organization provides part of an educational program of study. However, the regulations provide that the ineligible institution or organization cannot provide 50 percent or more of the title IV eligible educational program. The experiment outlined in this notice will allow participating institutions to provide title IV aid to otherwise eligible students pursuing a program of study for which 50 percent or more of the content and instruction is provided by one or more title IV-ineligible organizations (non-traditional providers). As part of the experiment, the Secretary will provide participating institutions with certain statutory and regulatory waivers, which are listed in the section of this notice titled "Waivers."

The experiment is intended to encourage increased innovation in higher education through partnerships between the participating institutions and non-traditional providers. In doing so, the Department hopes to:

- Learn whether permitting partnerships between institutions and non-traditional providers increases equity by providing access to innovative educational programs for students from diverse backgrounds, particularly those from low-income backgrounds;
- Examine student outcomes to evaluate the effectiveness of these non-traditional providers;

- Assess quality-assurance processes that are appropriate for non-traditional providers and the programs they offer; and

- Identify ways to protect students and taxpayers from risks in an innovative and emerging area of postsecondary education.

The experiment is intended to focus predominantly on low-cost, short-term programs serving students who do not yet have an undergraduate degree.

### The Experiment

*Background:* The regulations in 34 CFR 668.8(a) require that an eligible program be provided by an eligible institution. The regulations in 34 CFR 668.5(c) provide, with certain exceptions, that an eligible institution may enter into a contractual agreement with an ineligible institution or organization under which the ineligible organization provides part of the educational program of study to students enrolled at the eligible institution. However, the ineligible institution or organization cannot provide 50 percent or more of the eligible educational program. In addition, if the amount of the educational program provided by the ineligible institution or organization is more than 25 percent but less than 50 percent, the ineligible institution or organization and the eligible institution cannot be owned or controlled by the same individual, partnership, or corporation. Finally, the regulations provide that the eligible institution's recognized accrediting agency must determine and confirm in writing that the agreement meets its standards for contracting out education services. Other restrictions apply as well.

Title I, part A of the HEA and federal regulations describe other conditions for an institution and its educational programs to be eligible for title IV aid. In general, for an educational program to be title IV-eligible, it must be included in the accreditation of the institution by the institution's recognized accrediting agency and in the institution's legal authorization to provide an educational program beyond secondary education in the State in which the institution is located. In addition, the program must prepare students for gainful employment in a recognized occupation as described in Department regulations, except if it is offered by a public or non-profit institution and either leads to a degree or is at least a two-year program acceptable at the institution for full credit towards a degree. In general, under section 481(b)(1)(A) of the HEA and 34 CFR 668.8(d), title IV-eligible

programs must be at least 15 weeks in duration and provide at least 600 clock hours, 16 semester or trimester hours, or 24 quarter hours of academic credit. These statutes and regulations play a critical role in protecting students and taxpayers from abuse by low-quality higher education programs.

Under current regulations, institutions are prevented from building partnerships to create programs of study comprised of content and instruction provided largely by one or more non-traditional providers. In some cases, an institution may believe it has identified a non-traditional provider whose expertise or approach complements that of the institution and could work effectively with particular student populations or toward desired student outcomes. These limitations on partnerships could constrain innovation and make high-quality educational opportunities offered by non-traditional providers accessible only to students who do not need title IV aid.

In accordance with the waiver authority granted to the Secretary under section 487A(b) of the HEA, the Secretary will waive for this experiment the restriction on providing title IV aid to students enrolled in programs that an eligible institution offers through partnerships with title IV-ineligible entities (non-traditional providers) that, with oversight, are delivered to students primarily by those non-traditional providers. Through this and other waivers described in this notice, this experiment will examine whether extending eligibility for title IV aid to non-traditional postsecondary programs offered through these partnerships increases access to high-quality academic programs for students from a diversity of backgrounds, particularly students from low-income backgrounds. In addition, the experiment will examine student outcomes at these promising non-traditional providers to determine whether they are effective. The experiment will also examine whether the waivers create any challenges or obstacles to an institution's administration of the title IV, HEA programs.

*Description:* The Secretary will grant institutions participating in this experiment limited waivers of statutory and regulatory requirements in order to support innovative educational programs developed through partnerships between title IV-eligible institutions and non-traditional providers. Specifically, through this experiment the Secretary will waive the provision of 34 CFR 668.5(c)(3) that provides that an ineligible entity may not provide 50 percent or more of a title

IV-eligible educational program. The Secretary will also waive the requirement under 34 CFR 668.8(a) that an eligible program must be provided by a participating institution.

In order for an institution to provide title IV aid to students in a program that is provided primarily by one or more non-traditional providers under the experiment, the Department will require that, in addition to being included in the institution's recognized accreditation, the program must be reviewed, approved, and monitored by an independent quality assurance entity (QAE) that is appropriately qualified to review and monitor such programs. These requirements are further described later in this notice.

The Secretary will also waive or modify the following statutory and regulatory provisions that might otherwise limit participation in flexible, high-quality programs of study offered through contractual agreements between postsecondary institutions and non-traditional providers. To participate in the experiment, an applicant institution must use at least one of the waivers in this experiment but need not use all of them.

- *Minimum Program Length:* The Secretary will waive the requirement that a title IV-eligible program must include at least 15 weeks of instructional time and at least 600 clock hours, 16 semester or trimester hours, or 24 quarter hours. The Secretary will allow title IV aid to be received by otherwise eligible students who are enrolled in a program of at least eight weeks in length that, at a minimum, includes at least 12 semester or trimester hours, 18 quarter hours, or 450 clock hours. The normal proration requirements for each title IV aid program apply. The Department's definition of "credit hour" in 34 CFR 600.2 applies to credit hour programs offered under the experiment.

- *Satisfactory Academic Progress (SAP):* Through this experiment, the Secretary will modify the requirements for monitoring a title IV aid recipient's SAP. An institution will be required to evaluate a student's SAP upon the student's completion of each of the program's academic years, as measured in weeks of instructional time, though an institution will be permitted and is encouraged to evaluate a student's SAP more frequently. For programs that are less than one academic year in length, the institution will be required to evaluate a student's SAP upon the completion of each payment period. Institutions will not be required to determine the student's SAP pace by dividing the number of hours the

student has completed by the number of hours the student has attempted. Instead, the institution will determine whether the student has completed sufficient credit hours, clock hours, or the equivalent to complete the program within the maximum timeframe (no more than 150 percent of the program's published length), as provided in the definition of "maximum timeframe" in the regulations in 34 CFR 668.34(b), as of the point in time when the institution conducts the evaluation of a student's pace.

Additionally, under this experiment, if the institution accepts any transfer credit to meet the requirements of a student's program, it may, but is not required to, prorate the student's maximum timeframe based on the remaining amount of the program after the transfer credit has been applied.

*Application for Pell Grants Alone or for Pell Grants and Certain Other Title IV Aid:* The costs of postsecondary programs where all or a portion of the program is provided by non-traditional providers vary widely; for some programs, Pell Grants alone might cover direct costs (tuition, fees, books, and supplies), while others may require a combination of Pell Grants and loans to cover those costs. Some programs may wish to focus solely on Pell Grant-eligible students. While this experiment aims to focus primarily on low-cost programs, it may also seek to learn from programs that may have a range of costs. Institutions must choose one of two title IV student aid program options: (1) Allowing students to be eligible for Pell Grants only, or (2) allowing students to be eligible for Pell Grants, undergraduate Direct Subsidized Loans and Direct Unsubsidized Loans, and the Campus-Based Programs. Direct PLUS Loans for parents and graduate students and Direct Unsubsidized Loans for graduate students are not included in this experiment. Existing statutory and regulatory awarding requirements for the Campus-Based Programs are not changed under this experiment. For an institution choosing to provide only Pell Grants, any title IV aid recipients enrolled in the program must be Pell-grant eligible and be advised before enrollment that their title IV aid awards will be limited to Pell Grants. Similarly, for an institution choosing to provide Pell and the other title IV aid available in this experiment, any title IV aid recipients enrolled in the program must be otherwise eligible for that title IV aid and must be advised before enrollment of the limitations on their title IV aid eligibility for the program. Additional requirements for student protections will also be in place for institutions

choosing to utilize title IV aid in addition to Pell Grants in the experiment (see "Requirements for Participation").

*Requirements for Participation:* The Department intends to select a limited number of institutions to participate in this experiment. Each institution will curate a program of study comprised of educational programming that may be provided by one or more non-traditional providers. The Department intends to select some institutions that will make only Pell Grant funding available to otherwise eligible students enrolled in the program, and some institutions that will make Pell Grant funding and certain other types of title IV aid program funding available to otherwise eligible students enrolled in the program as described elsewhere in this notice.

An institution participating in this experiment will be required to do the following:

- *Program design:* Create one or more coherent programs of study by curating educational content from one or more non-traditional providers of postsecondary education that are not currently participating in the title IV, HEA programs. At least 50 percent, and up to 100 percent, of the program's content and instruction must be provided by one or more non-traditional providers through a contractual arrangement with the participating institution. The institution must award a certificate, degree, or other recognized credential to students who successfully complete the program, and the certificate, degree, or credential must have externally validated value in the workforce, for academic transfer, or both. The program must meet applicable title I, HEA requirements, including that the program must prepare students for gainful employment in a recognized occupation as described in Department regulations, unless it is offered by a public or private non-profit institution and either leads to a degree or is at least two years in length and acceptable for full credit towards a degree at the institution. The certificate, degree, or credential resulting from the program must represent the equivalent of at least 12 semester or trimester hours, 18 quarter hours, or 450 clock hours over a minimum of eight weeks. An institution's contractual agreement with a non-traditional provider must stipulate that the non-traditional provider agrees to provide information to the institution necessary for the institution to carry out its duties related to the administration of title IV aid. Upon request, the institution will provide evidence regarding its

compliance with the terms of the experiment. Contractual agreements under which a non-traditional provider provides 50 percent or more of the instruction in a program must be reviewed and approved by the participating institution's accrediting agency.

- *Quality assurance:* Identify a QAE with the capacity to review, monitor, and report on the proposed program and ensure the quality of the providers and their program components as outlined in this notice under "Quality Assurance Questions and QAE Role." The institution must demonstrate that the QAE is an independent organization that is free from conflicts of interest with the institution and the non-traditional providers.

- *Accreditor review:* Submit the program created in collaboration with one or more non-traditional providers to the applicant institution's recognized institutional accrediting agency for consideration for inclusion in the institution's existing accreditation. The program must fall within the accreditor's scope of recognition, and the eligible institution must obtain a determination from its accrediting agency that the institution's arrangement meets the standards and procedures the agency considers appropriate. The Department is not requiring the accrediting agency to provide specific program approval.

- *Disclosure:* Clearly disclose to prospective students information about the experimental nature of the programs, the possibility of termination of the programs, and how a teach-out to provide the remainder of the program will be conducted should a program or the relationship with the non-traditional provider(s) be terminated.

- *Title IV disbursement:* Only disburse title IV aid to otherwise eligible students under the option chosen by the institution.

- *Consequences of low quality:* Take immediate action to improve, suspend, or terminate programs or non-traditional providers that the Department, the QAE, the accreditor, or the institution determines are not meeting the quality standards established by the QAE. In the event that a program is suspended or terminated, a teach-out plan, as generally defined under 34 CFR 600.2, must be developed to provide the remainder of the program by the institution, or for the provision of the remainder of the program by another title IV-eligible institution, at no additional cost to students.

- *Protections for students and taxpayers:* For those programs in which students will have access to Federal

student loans in addition to Pell Grants, submit detailed plans describing how students and taxpayers will be protected in cases where programs are suspended, terminated, or otherwise limited in their participation in the experiment by the Department, the QAE, the accreditor, or the institution, for any reason, including poor student outcomes and low quality. Institutions will be required to describe in detail what actions they will take, such as loan repayments and refunds to students (in addition to what is normally required of them under the existing title IV, HEA program regulations), and the conditions under which they will take these actions. In its review of experimental site applications that would allow access to both Pell Grants and other title IV aid programs, the Department will give preference to those applications that offer the strongest student and taxpayer protections.

The Department will monitor programs based on regular reports from the institution and the QAE, along with any data available to the Secretary, including information provided by the accreditor, students, or others regarding the performance of the participating entities, student enrollment, and student outcomes. Based on this information, the Department may take a number of actions, including removal of the institution from the experiment and any enforcement actions authorized by the HEA.

### Quality Assurance Questions and QAE Role

As part of this experiment, the Department is interested in understanding how a QAE will determine the quality of a program of study through a set of largely outcome-based questions, rigorous and timely monitoring, and accountability processes.

While the Department continues to refine this set of quality assurance questions, participating institutions must ensure that the QAE in this experiment has established a thorough quality assurance process that defines and monitors outcome-based standards for the numbered questions below. Draft questions are included here to provide an overview; the final set of questions will be provided to applicants in Phase Two of the application process.

#### A. Claims for Learning

1. What measurable claims is the institution making about the learning outcomes of students participating in the program? For example:

- What is the evidence that the learning claims are commensurate with

postsecondary- or post-baccalaureate-level work?

- Do the institution's statements about student outcomes capture requisite knowledge and skills? How?

2. How are the value and relevance of those claims established? For example, what external stakeholders have been consulted to verify the value and relevance of the claims?

3. How will the claims be measured?

4. How will institutions be held accountable for meeting those claims?

5. How do all the claims for learning come together into a meaningful and coherent set of overall program outcomes and goals?

#### B. Assessments and Student Work

1. How does the institution assess whether students enrolled in the program can meet the claims outlined in Section A? For example:

- How are assessments aligned with the specific tasks, expectations, and contexts for which programs claim to be preparing students?

- Beyond one-time assessments, is student work reviewed as part of the assessment of student learning and program outcomes? Do external stakeholders review students' work? How are examples of student work made available to outside parties (with appropriate privacy and other protections)?

2. How has the reliability of these assessments been established?

3. How has the validity of these assessments been established, for example, in terms of the following?

- *Face validity:* Does the assessment appear to measure what it says it measures?

- *Content validity:* Does the assessment accurately measure the knowledge and skills covered by the program?

- *Predictive validity:* Does the assessment accurately predict the student's ability to demonstrate a given competency in the future?

- *Concurrent validity:* Does the assessment correlate with other measures of the desired performance meant to be assessed?

4. How and how often does the QAE review these assessments?

#### C. Outputs, Which, Where Applicable, Must Be Disaggregated To Show Outcomes Specifically for Low-Income Students

1. How are students performing on program assessments?

2. How are students progressing through the program? For example:

- Retention rate?
- Withdrawal rate?

- Average time to completion?
  - Completion rate (within 100 percent and 150 percent of expected time)?
3. What are the actual program outcomes for students (e.g., entry into subsequent phase of study, career, etc.)? For example:
- Employment outcomes, for all programs that have a stated mission focused on employment (include method for how these outcomes are measured):
    - Job placement rates in field of study?
    - Average length of time between completion of program and employment in field of study?
      - Job retention rates?
      - Median starting salaries?
      - Transfer rates to other academic or vocational programs, where applicable.
      - Certifications and licensure exam passage rates, where applicable.
4. What are the following ratios for the program, where relevant?
- Published tuition and fees versus earnings.
    - Average net price versus earnings.
    - Median student debt versus earnings.
5. How does the program rate on measures of student satisfaction? For example, how does the program rate in the following:
- Comments from students about what made them successful or unsuccessful in the program?
    - A rigorous and transparent methodology for gathering and synthesizing customer satisfaction measures?

#### D. Management

1. How has the stability of the non-traditional provider(s) been evaluated (e.g., longevity and past outcomes, leadership/board, etc.)?
2. How are privacy, security, and student authentication managed?
3. Are activities related to student recruitment appropriate and transparent?
4. How is pricing made transparent?
5. Are all materials accessible to learners with disabilities?
6. What is the process for continuous improvement of all aspects of the learning experience (content, platform, student support, faculty engagement, etc.)?

Based on the standards developed by the QAE, the QAE must establish a rigorous and timely process to assess the program before students are enrolled, monitor and report on an approved program's performance, and take action based on the program's performance. The institution must require the QAE to perform the following functions:

- Develop a process to review the proposed program, including its components and providers, based on clear, specific, and measurable standards consistent with the questions listed above, among others.
  - Monitor the proposed program, including its components and providers, to confirm the program is being implemented and assessed as proposed, and to confirm the achievement of provider claims for learning and student outcomes; and have a written policy that outlines timely and significant consequences for lack of performance. If groups of students enroll in a program at distinct and regularly scheduled points in time, monitoring must be conducted, at a minimum, at four points in time: An early stage in the program to identify early warning signs of issues related to implementation, quality, or management; the midpoint of a program in order to have sufficient time to correct potential problems that have been identified; at the completion of a program; and at a pre-determined time period after completion of the program (e.g., six months) to monitor post-completion outcomes for participants. If students do not enroll in this manner and a program is instead offered on a "rolling" basis, monitoring must be conducted at regular intervals that represent the average time it takes a student to reach an early stage, the midpoint, the completion of the program, and some pre-determined time period after completion.
    - Report on the performance of the non-traditional providers to the institution, accreditor, and the Department every six months, as well as at any time the QAE identifies program quality concerns or determines that the program is at risk of or subject to any adverse action.

This notice refers to a single QAE for each participating institution because the Department believes it is important to have a single organization ultimately responsible for affirming the quality of a program and taking action based on its assessment. However, given the range and depth of expertise and knowledge required for the quality assurance process, we expect that some applicants may wish to have two or more organizations working together to fulfill the requirements of this role. Subcontracts for specific portions of the role would be acceptable as long as one organization is clearly designated as having the lead role and final responsibility for quality determination and consequences, and the respective roles and responsibilities of the organizations are clearly delineated along with the means of coordination

among all the partners. QAEs could be any of a number of kinds of organizations, including employer associations, new entities created for this specific purpose, existing accreditors (as long as the proposed quality assurance process is new, meets the stated requirements, and does not create conflicts of interest), accounting firms, or others.

*Waivers:* Institutions selected for this experiment will be granted waivers of any or all of the following statutory and regulatory provisions. As mentioned earlier under "Application for Pell Grants Alone or for Pell Grants and Certain Other Title IV Aid," each institution will need to choose between two options: (1) Allowing students to be eligible for Pell Grants only; or (2) allowing students to be eligible for Pell Grants, undergraduate Direct Subsidized Loans and Direct Unsubsidized Loans, and the Campus-Based Programs. Direct PLUS Loans for parents and graduate students and Direct Unsubsidized Loans for graduate students are not included in this experiment.

To participate in the experiment, an applicant institution must use at least one of the waivers in this experiment but need not use all of them.

- 34 CFR 668.8(a), to the extent that the regulation requires that an eligible program be provided by the participating institution.
- 34 CFR 668.5(c)(3), to the extent that the regulation restricts the amount of an eligible program that may be provided by an ineligible institution or organization. Notwithstanding this waiver, the eligible institution must provide documentation from its accrediting agency confirming that the accrediting agency considers the program within its accreditation of the eligible institution. The waiver does not apply to the prohibition on the eligible institution and the ineligible institution or organization (non-traditional provider) being owned or controlled by the same individual, partnership, or corporation.<sup>1</sup>
  - Section 481(b)(1)(A) of the HEA and 34 CFR 668.8(d)(1)(i) and (ii), which establish minimum timeframes for non-degree programs and programs offered by proprietary and postsecondary vocational institutions. Under the experiment the program may be no less than 12 semester or trimester credit hours, 18 quarter hours, or 450 clock hours, all offered over a minimum of eight weeks.

<sup>1</sup> If the non-traditional provider provides any services that would qualify it as a third-party servicer, the institution should notify the Department and disclose this information in its letter of interest and in its application.

• Section 484(c) of the HEA and 34 CFR 668.34(a)(3)(ii), (a)(5)(ii), and (b), to the extent these provisions relate to the timeframe when the institution must determine whether a student is making satisfactory academic progress and to the method by which an institution must calculate the pace of a student's academic progression.

All other provisions and regulations of the title IV, HEA programs will apply to institutions participating in this experiment.

*Reporting and Evaluation:* With this experiment, the Department is interested in evaluating three main areas: (1) The extent to which new programs provide access for students from low-income backgrounds to high-quality postsecondary education and training programs; (2) whether the partnerships between participating institutions and non-traditional providers provide low-cost and high-value postsecondary education and training programs that produce strong student outcomes; and (3) how innovative and effective processes are developed to assure the quality of these types of programs and protect students and taxpayers. Accordingly, institutions will be asked to provide information to support the Department's evaluation of the experiment.

Institutions that are selected for participation in the experiment will likely be required to provide the Department with identifying information for students who have enrolled in one of the programs included in the experiment and who submitted a Free Application for Federal Student Aid (FAFSA). Additional information may also be required about students who could serve as a comparison group for benchmarking purposes, for example, similar students not enrolled in programs included in the experiment.

In addition, participating institutions will be required to submit reports and/or participate in surveys, interviews, or site visits to provide information about the implementation of the experiment. Institutions will likely be asked to provide information on courses and programs offered, numbers and types of degrees and/or certificates awarded, numbers and types of students served, their experiences in the program, their outcomes after leaving the program (such as employment status, earnings, credits transferred), provider expenditures per student, and information on the cost of the programs and the amounts borrowed by students attending the programs. Institutions will also be required to provide information on how they partnered with the non-

traditional providers and the QAEs, the quality assurance process, and any challenges experienced and how those challenges were addressed.

The specific evaluation and reporting requirements will be finalized prior to the start of this experiment.

*Application and Selection:* From the institutions that submit letters of interest and full applications, the Secretary will select a limited number to participate in the experiment. Applications will be evaluated on five criteria:

(1) The extent to which the proposed activities are innovative and will produce high-quality programs likely to lead to positive student learning and employment outcomes, and for programs focused on student learning outcomes, the Department will give preference to programs that either lead to a degree or demonstrate evidence of transferability of academic credit;

(2) The extent to which programs will provide equitable access to innovative postsecondary education programs, particularly for students from low-income backgrounds;

(3) The extent to which the proposed quality assurance processes have the potential to address the types of quality assurance questions outlined in this notice;

(4) The extent to which the programs are affordable; and

(5) For programs in which students will have access to Federal student loans, the strength of proposed student and taxpayer protections.

The Secretary will also consider institutional diversity in, among other characteristics, institutional type and control, geographic location, enrollment size, and title IV, HEA program participation levels.

Institutions selected to participate in the experiment must have a strong track record with regard to student outcomes, especially in serving students from low-income backgrounds. When selecting institutions, the Secretary will consider not only the information in the institution's application, including the information provided about the QAEs and non-traditional providers that would provide the program in whole or in part, but any additional information available to the Department including, but not limited to, evidence of title IV, HEA program compliance, student completion rates, cohort default rates, financial responsibility ratios, gainful employment data, and, for for-profit institutions, "90/10" funding levels. The institution's recognized accrediting agency will also need to provide a notice of inclusion of the program in the applicant institution's accreditation by

Phase Three in the application and selection process (described below).

The application and selection process will entail three phases:

*Phase One:* The institution will submit a letter of interest to the Department, as described above under "Instructions for Submitting Letters of Interest." If all of the institutional qualifications for participation are met and the Department determines this initial letter to be of sufficient quality and alignment with the goals of the experiment, the institution will receive an invitation to submit a full application.

*Phase Two:* Institutions invited to submit a full application will be required to submit materials addressing questions in areas such as program design, student population, and intended outcomes; provider and QAE selection and roles; process for defining, implementing, monitoring, and taking appropriate actions based on rigorous quality assurance standards; and student supports and protections. Institutions will also need to demonstrate the commitment of the non-traditional provider(s) to offer content and instruction once required approvals are secured, and demonstrate their accrediting agency's agreement to consider including the proposed program in the institution's accreditation.

Full applications will be reviewed based on the stated criteria, including the preferences described in this notice. On this basis, the Secretary will select the institutions to be invited to participate and provide those institutions an amendment to the program participation agreement (PPA) that must be signed by the institution's authorized official and returned to the Department. PPA amendments will reflect the specific statutory or regulatory provisions that the Secretary has waived or modified for the experiment. The institution must acknowledge its commitment to properly administer the experiment by establishing any necessary procedures and by coordinating with other institutional offices and staff. The PPA amendments will also document the agreement between the Secretary and the institution about how the experiment will be conducted, including, for institutions intending to disburse title IV, HEA aid other than Pell Grants, additional student and taxpayer protections.

*Phase Three:* After signing its PPA amendment document and receiving the Department's countersigned copy, the institution must submit its programs to the Department for review and final

approval through the E-App system, along with documentation that the program has been reviewed and approved by the QAE, is included in the institution's accreditation and State authorization, and meets all other title IV, HEA eligibility requirements. Proposed programs will not be eligible for access to title IV aid until the Department's final review and approval in Phase Three is complete.

**Accessible Format:** Individuals with disabilities can obtain this document in an accessible format (e.g., braille, large print, audiotape, or compact disc) on request to the contact person listed under **FOR FURTHER INFORMATION**

**CONTACT.**

**Electronic Access to This Document:** The official version of this document is the document published in the **Federal Register**. Free Internet access to the official edition of the **Federal Register** and the Code of Federal Regulations is available via the Federal Digital System at: [www.gpo.gov/fdsys](http://www.gpo.gov/fdsys). At this site you can view this document, as well as all other documents of this Department published in the **Federal Register**, in text or Adobe Portable Document Format (PDF). To use PDF, you must have Adobe Acrobat Reader, which is available free at the site.

You may also access documents of the Department published in the **Federal Register** by using the article search feature at: [www.federalregister.gov](http://www.federalregister.gov). Specifically, through the advanced search feature at this site, you can limit your search to documents published by the Department.

**Delegation of Authority:** The Secretary of Education has delegated authority to Jamiene S. Studley, Deputy Under Secretary, to perform the functions and duties of the Assistant Secretary for Postsecondary Education.

**Program Authority:** 20 U.S.C. 1094a(b).

Dated: October 9, 2015.

**Jamiene S. Studley,**  
Deputy Under Secretary.

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**BILLING CODE 4000-01-P**

**DEPARTMENT OF EDUCATION**

**Applications for New Awards;  
Personnel Development To Improve  
Services and Results for Children With  
Disabilities—Personnel Preparation in  
Special Education, Early Intervention,  
and Related Services**

**AGENCY:** Office of Special Education and Rehabilitative Services, Department of Education.

**ACTION:** Notice.

**Overview Information:**

Personnel Development to Improve Services and Results for Children with Disabilities—Personnel Preparation in Special Education, Early Intervention, and Related Services

Notice inviting applications for new awards for fiscal year (FY) 2016.

Catalog of Federal Domestic Assistance (CFDA) Number: 84.325K.

**DATES:** Applications Available: October 15, 2015.

Deadline for Transmittal of Applications: December 14, 2015.

Deadline for Intergovernmental Review: February 12, 2016.

**Full Text of Announcement**

**I. Funding Opportunity Description**

**Purpose of Program:** The purposes of this program are to (1) help address State-identified needs for personnel preparation in special education, early intervention, related services, and regular education to work with children, including infants and toddlers, with disabilities; and (2) ensure that those personnel have the necessary skills and knowledge, derived from practices that have been determined through scientifically based research and experience, to be successful in serving those children.

**Priority:** In accordance with 34 CFR 75.105(b)(2)(iv), this priority is from allowable activities specified in the statute (see sections 662 and 681 of the Individuals with Disabilities Education Act (IDEA)).

**Absolute Priority:** For FY 2016 and any subsequent year in which we make awards from the list of unfunded applications from this competition, this priority is an absolute priority. Under 34 CFR 75.105(c)(3), we consider only applications that meet this priority.

This priority is:

**Personnel Preparation in Special Education, Early Intervention, and Related Services.**

**Background:**

The purpose of the Personnel Preparation in Special Education, Early Intervention, and Related Services priority is to improve the quality and increase the number of personnel who are fully credentialed to serve children, including infants and toddlers, with disabilities—especially in areas of chronic personnel shortage—by supporting projects that prepare special education, early intervention, and related services personnel at the baccalaureate, master's, and specialist levels. State demand for fully credentialed special education, early intervention, and related services personnel to serve infants, toddlers, and

children with disabilities exceeds the available supply (Bruder, 2004a; Bruder, 2004b; McLeskey & Billingsley, 2008; McLeskey, Tyler, & Flippin, 2004). These shortages of fully credentialed personnel can negatively affect the quality of services provided to infants, toddlers, and children with disabilities and their families (McLeskey et al., 2004).

Personnel preparation programs that prepare personnel to enter the fields of special education, early intervention, and related services as fully credentialed personnel who are well qualified, have the necessary competencies, and effectively use evidence-based practices to improve outcomes for children with disabilities are critical to overcoming the personnel shortages in these fields. Federal support of these personnel preparation programs is needed to increase the supply of personnel with the necessary competencies to effectively serve infants, toddlers, and children with disabilities and their families, and to make sure students with disabilities have access to and meet college- and career-ready standards.

Consistent with the Ready to Work Initiative: Job-Driven Training and American Opportunity,<sup>1</sup> the Department is particularly interested in supporting personnel preparation programs that meet the needs of working professionals, people with child care considerations, career switchers, or people living in geographically isolated areas in order to expand the reach of training programs and promote diversity in the special education workforce.

**Priority:**

Except as provided for Focus Area D projects that allow a one-year planning period, to meet this priority, an applicant must propose a project associated with a pre-existing baccalaureate, master's, or specialist degree personnel preparation program that will prepare and support scholars<sup>2</sup> to complete, within the project period of the grant, a degree, State certification, professional license, or State endorsement in special education, early intervention, or a related services field. Projects also can be associated with personnel preparation programs that (a) prepare individuals to be assistants in

<sup>1</sup> Ready to Work: Job-Driven Training and American Opportunity (July 2014). Available at: [www.whitehouse.gov/sites/default/files/docs/skills\\_report.pdf](http://www.whitehouse.gov/sites/default/files/docs/skills_report.pdf).

<sup>2</sup> For the purposes of this priority, the term "scholar" means an individual who is pursuing a degree, license, endorsement, or certification related to special education, related services, or early intervention services and who receives scholarship assistance under section 662 of IDEA (see 34 CFR 304.3(g)).