



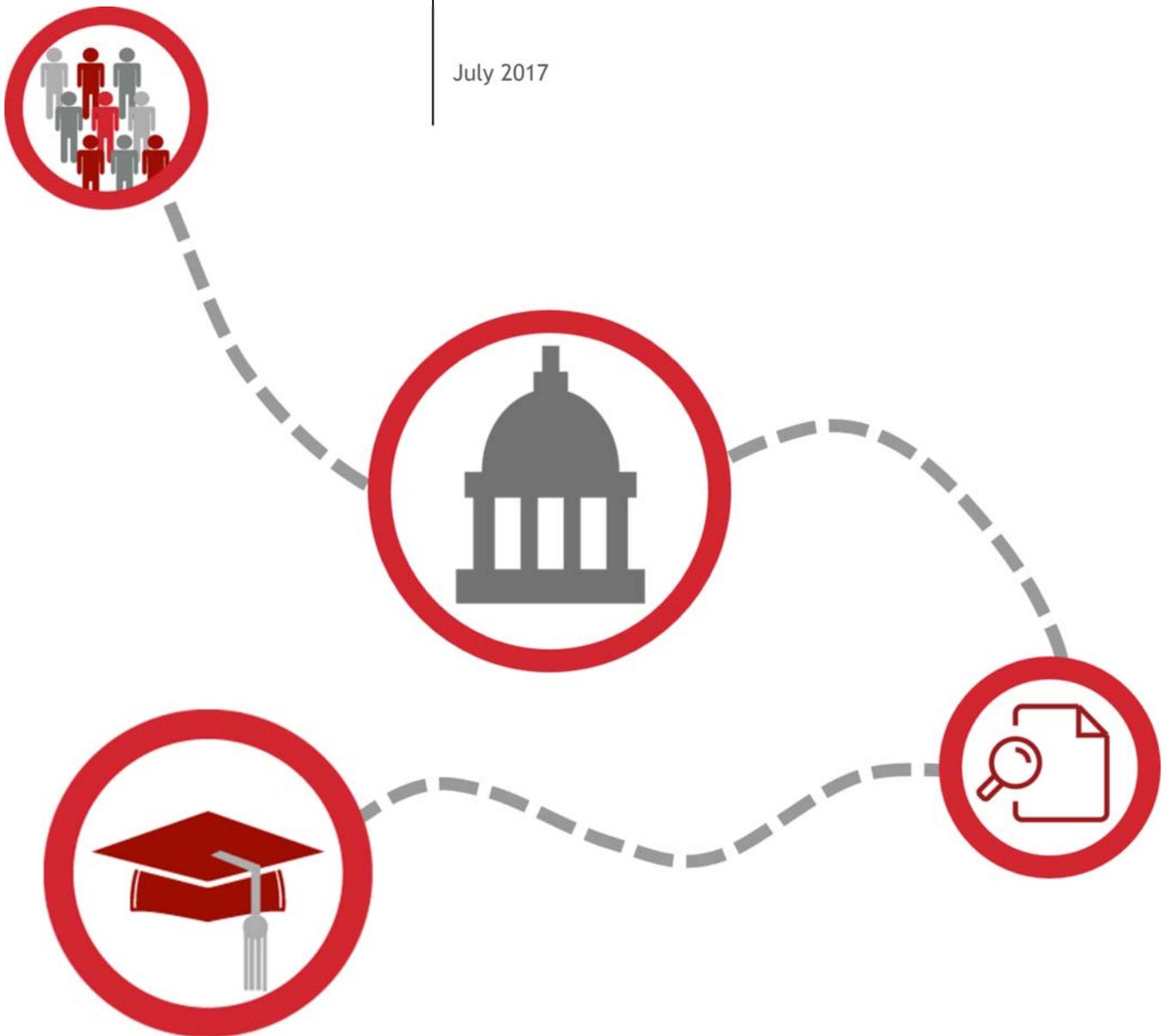
CAEL

FINANCIAL AID FOR PRIOR LEARNING ASSESSMENT

Early Successes and Lessons from the U.S. Department of Education's Experimental Sites Initiative

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Summary

In 2015, the U.S. Department of Labor invited postsecondary institutions to participate in an experiment to learn how federal financial aid might be used to cover the costs of prior learning assessment (PLA). PLA is the process of evaluating a student's prior workplace and experiential learning for academic credit. While the experiment is still underway, several of the participating institutions are finding that the regulatory waivers permitted through the experiment are making it possible for more students to successfully use this alternative pathway to credit-earning. This is an important early result of the experiment, which can help to inform Congress as it considers the reauthorization of the Higher Education Act of 1965. The experiment provides a useful blueprint for what effective policy changes to the regulatory and statutory limits around PLA in Title IV may look like. This brief highlights some of the experiences and successful results of the experiment so far, while also pointing to how this new application of federal financial aid might be best supported if available nationwide.

Introduction

The Case for PLA

According to Georgetown University's Center on Education and Workforce, at current rates of college attainment the United States will fall short of the 65% of jobs that will require postsecondary education in 2020 by around 5 million workers.ⁱ In order to avoid this shortage we must utilize every available tool to increase rates of college completion. Prior learning assessment (PLA) is one invaluable tool for increasing college access and completion among adults and other “non-traditional” learners, a significant and growing population of post-secondary students.ⁱⁱ

PLA is the process of evaluating a student's prior workplace learning and other experiential learning for academic credit. Assessment is an important part of this process, ensuring that credit

Four Methods of PLA

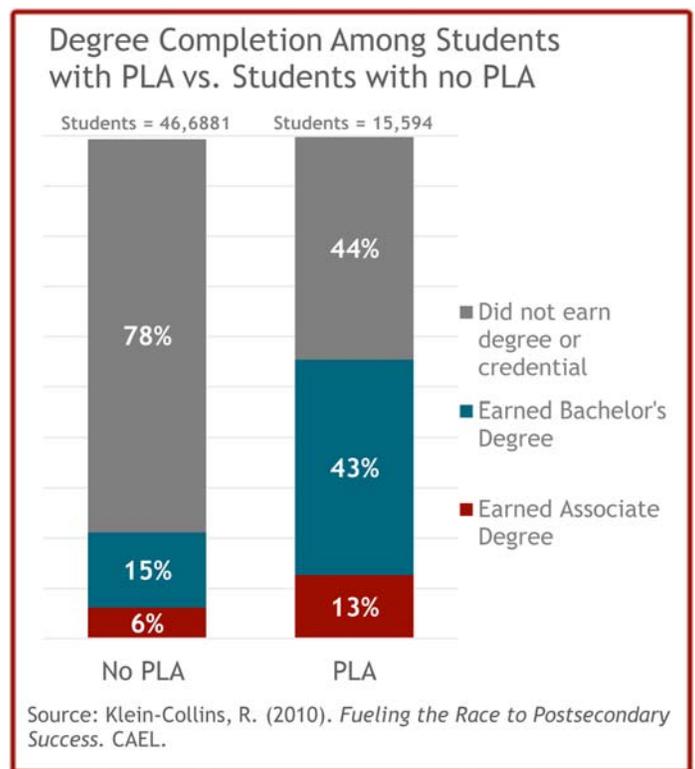
1. **Individualized assessments**—a student prepares a narrative and evidence of their learning, which a faculty member/expert in the field reviews and uses to award credit (i.e. **portfolio assessment**).
2. **Challenge exams**—developed by an institution's faculty to assess student learning associated with a specific course or department.
3. **Standardized exams**—developed by independent organizations to assess a student's learning; colleges decide the number of credits to award for particular scores (e.g. CLEP, DSST, UExcel).
4. **Evaluated, non-college programs***— independent organizations (e.g. American Council on Education, National College Credit Recommendation Service) evaluate employer or military training programs and make credit recommendations based on program learning

*Not covered by the Department of Education PLA experiment waivers



is awarded for *learning* and not simply for work or life experience. PLA can be particularly beneficial for adults returning to college after many years in the workplace, serving in the military, or learning independently.

PLA allows students to reduce the amount of time to earn a degree, and, since PLA typically costs less than equivalent courses, students can also reduce the overall cost of earning a degree. One Council for Adult and Experiential Learning (CAEL) study of adult students earning credit through PLA at 48 institutions found that those students earned, on average, 17 credits using PLA methods. For these students, this translated to cost savings of between \$1,600 and nearly \$6,000, depending on tuition rates at the institutions they attended. There is also strong evidence that the use of PLA is associated with higher rates of degree attainment and overall persistence: PLA students are two and a half times more likely to earn a degree than non-PLA students.ⁱⁱⁱ



Financial Aid Barriers

Despite these benefits, current financial aid regulations do not consider the fees associated with the assessment of prior learning to be eligible for Title IV federal financial aid.^{iv} Students with prior learning in a subject must therefore either pay PLA costs out of their own pocket or instead use financial aid to take courses in subjects they have already mastered.

The long overdue reauthorization of the Higher Education Act of 1965 (HEA) presents a perfect opportunity to consider changes to Title IV that would allow federal student aid to cover the cost of PLA (as well as other offerings that are focused on learning outcomes rather than seat-time).¹

Background – PLA Experimental Sites

The U.S Department of Education has already taken the first step towards reassessing this stance by conducting a PLA experiment under the Experimental Sites Initiative. With this experiment, the Department seeks to better understand how using financial aid to cover PLA costs is related to “students’ costs, borrowing, and completion” and to facilitate institutional efforts “to test certain innovative practices aimed at improving student outcomes.”^v

Beginning in the 2015-2016 year, 27 institutions were invited to be part of the experiment, which provides waivers to the specific regulations that prevent students from using financial aid to cover PLA costs; many of these institutions began implementing new systems to assess and award

¹ The direct assessment version of competency-based education (CBE) is another example of a learning-centered approach to degree completion that is typically not eligible for federal financial aid.



aid in these cases. According to the experiment, this can be done in two ways: by including PLA costs in calculating a student’s cost of attendance and/or by increasing a student’s Pell Grant eligibility status by up to 3 credits.

A student’s cost of attendance (COA) is calculated based on the average cost of expenses associated with a student’s enrollment as either a full- or part-time student and is used, in part, to determine the amount of financial aid the student is awarded. Under the PLA experiment, an institution is permitted to include any “reasonable costs” (test fees or the cost of portfolio evaluation, for example) associated with utilizing certain PLA methods in calculating a student’s COA, thereby increasing the amount of aid they can receive to cover these costs. Costs associated with evaluating transcripts (from military service, or employer-provided training/certification programs) for credit are not covered under the experiment.

Institutions may also factor PLA into a student’s Federal Pell Grant (or Iraq and Afghanistan Service Grant) award by including up to 3 additional credit hours in a student’s Pell enrollment status. This acknowledges the fact that pursuing PLA may require some amount of preparation on the part of the student, which can then be counted as part of their overall educational load. The student can then make time in their schedule for pursuing PLA without losing their full-time student status for the purposes of financial aid. The number of PLA credits the student pursues must reflect the amount of time it takes the student to prepare materials for an assessment (such as a portfolio evaluation), with each credit hour being equivalent to 3 hours per week of preparation over the course of a term.

Current Implementation Status at Participating Institutions

According to lists published by the Department, as of February 2017 there were 27 institutions on record as participating in the PLA experiment.^{vi} With the experiment now a little over halfway through its second year, CAEL reached out to these institutions in order to get a better sense of how implementation is progressing. Of the 17 institutions that CAEL was able to reach, five have fully implemented the systems and procedures necessary to administer financial aid for PLA programs, while four institutions are still in the process of developing the same capacity (i.e. “Program Under Development”). Another four institutions have not yet begun implementing the experiment but still plan on doing so, and the remaining four have chosen to no longer participate. Of the five implementing institutions, one (Kaplan University) is no longer participating in the experiment (see additional note below).

Implementation Status	#
Fully Implemented	5
<i>Implemented with Student Utilization</i>	3
<i>Implemented, No Student Utilization</i>	2
Program Under Development	4
Not Yet Under Development, Still Participating	4
No Longer Participating	4
Could not be reached by CAEL	10
Total Institutions in Experiment	27



General Participant Approaches

Of the nine institutions that have made some progress in implementing the experiment, three are choosing to focus on portfolio assessment, two on standardized/challenge exams, and four on both methods. The most common overall use of the experiment has been to cover the fees associated with PLA by incorporating these costs into a student’s COA. Only four of the institutions we spoke with mentioned plans to make use of the additional 3-credit Pell enrollment allowance, and all four cited concerns around restrictions placed on its use (discussed below).

Number of institutions implementing experiment* by PLA type covered

PLA Type	#
Portfolio assessment	3
Standardized/Challenge Exams	2
Both (Portfolio + Exams)	4

*Includes only those institutions that have made at least some progress towards implementation

Three Examples of Successful Implementation

Three of the institutions we spoke to had already administered aid to cover student PLA costs and are seeing the successful impact of the experiment on increased PLA utilization, as well as lower tuition costs, time savings, and higher completion rates: Capella University, Northern Essex Community College, and Kaplan University.

CAPELLA UNIVERSITY began applying financial aid to PLA costs in July 2015. Administrators chose to focus on the University’s “petition for credit” process in which students must submit a written assessment and documentation to demonstrate their learning around a specific course’s competencies (much like a portfolio assessment). Providing aid for this one method allowed Capella to compare the outcomes of students who made use of the experiment with other students who instead utilized a “documented credit” (transcript evaluation) PLA method. According to Capella’s own internal analysis of experiment-related success metrics, between July 2015 and October 2016 44 learners participated in the petition for credit process, 57% of whom had their COA adjusted to include the per-credit assessment fees. Students participating in this method have earned an average award of 16.3 credits and the average COA adjustment was \$1,222. With a regular per-credit tuition of \$340 (\$5,542 for 16.3 credits), students in the experiment saw an average cost savings of \$4,319.



CAPELLA UNIVERSITY

PLA Method(s)	Portfolio Assessment
Costs Covered	\$75 per credit assessed
Average Credits Earned	16 credits
Average Cost Savings (Tuition - PLA Costs)	\$4,319

Capella has also seen positive results in student academic outcomes. For example, Capella found that those utilizing the experiment have made faster progress towards their degree than those pursuing other prior learning options, earning more credits on average over the same time period. GPAs have also remained high among students in the experiment group: 3.75 for Undergraduates and 3.97 for Graduates, versus typical averages of 3.3 and 3.55, respectively. Finally, Capella has already documented lower withdrawal rates and higher graduation rates among participating PLA students.^{vii}



NORTHERN ESSEX COMMUNITY COLLEGE (NECC) fully implemented the PLA experiment in Spring 2016 and is also a participant in the Competency Based Education (CBE) and Loan Counseling experiments. The decision to participate in all three was driven by an overall mission to reduce students’ time to completion. Under the PLA experiment, Northern Essex factors costs for all available PLA methods into a student’s COA. This includes registration fees for standardized exams (such as CLEP and challenge exams) as well as a \$50 fee for every credit awarded through assessment.² Portfolio assessments were not included as they are used less often by Northern Essex students than other PLA methods.



PLA Method(s)	Challenge/standardized exams
Costs Covered	Exam cost + \$50 per credit
Increased Utilization?	Yes

Because of the experiment’s relatively recent implementation, Northern Essex administrators have not yet conducted extensive internal research around the effects of the initiative. However, they have seen an increase in demand for PLA methods since its start: 37 students participated in Fall 2016, while over 100 participated in the Spring 2017 semester. Overall, Northern Essex is pleased with the results of the experiment so far.

KAPLAN UNIVERSITY began applying financial aid to portfolio evaluation costs in February 2016. This includes an initial portfolio development course, which provides instruction around preparing the necessary materials to demonstrate learning, as well as a portfolio preparation period: \$750 is charged upon enrolling in the portfolio course, while an additional \$750 is charged after the student completes the course and submits a portfolio for evaluation, a total cost of \$1,500. While the portfolio method is popular among Kaplan students, these fees were seen as a primary barrier to greater student utilization. Under the experiment the fees were factored into a student’s COA.



PLA Method(s)	Portfolio Assessment
Costs Covered	\$1500 (\$750 class + \$750 assessment)
Average Credits Earned	30 credits
Average Cost Savings (Tuition-PLA Costs)	\$9,630
Increased Utilization?	Yes

As of Winter 2017 around 450 students had gone through the portfolio process since the experiment’s implementation, a notable increase in student participation from prior years. On average, Kaplan students who complete the portfolio process earn 30 credits. With an online undergraduate tuition of \$371 per credit for non-military students (a cost of over \$11,000 for 30 credits) students utilizing PLA can potentially save more than \$9,600. Kaplan also knows from internal research that students who go through the portfolio process are more likely to graduate and far less likely to drop out.

NOTE: Kaplan University is no longer participating in the Department of Education experiment; however, PLA continues to be offered to students under the original fee structure.

² CAEL’s quality standards recommend assessing fees based on the services performed around PLA, rather than the number of credits awarded, in order to avoid revenue as a potential incentive for PLA awards rather than quality learning.

Factors in Slower Implementation or Non-Implementation

While these are three strong examples of participating institutions that have seen success with the experiment so far, it is also important to address those cases in which institutions have experienced slower than expected implementation or have decided not to participate. Both implementing and non-implementing institutions pointed to several challenges:

- **Existing student information systems are not suited to tracking unique aid cases.** Many of the administrative burdens institutions associated with the experiment more broadly involved difficulties tracking aid for PLA students within existing automated student information systems. Participants reported often having to manually enter and alter aid records for each individual PLA student, a difficult and resource-intensive task.
- **Effects of disbursement and credit restrictions on Pell waivers.** Three of the four institutions that considered implementation of the Pell waivers felt that only being able to increase a student's Pell enrollment status by a maximum of 3 credits per degree program was not adequate to meet student need. This was particularly the case for programs in which students submit portfolios for assessment in more than one academic discipline or course, which would require more than 3 credits of associated preparation time.
- **Changing institutional priorities and staff turnover.** Among the institutions we spoke with, at least seven cited shifting institutional priorities or administrative turnover—particularly among those roles responsible for implementation—as common factors in slowing down the implementation process. While many of the participating institutions are engaged in establishing a variety of innovative programs, competition for limited development resources among those various initiatives (sometimes even with other experimental site initiatives) caused some administrators to prioritize others over the PLA experiment.
- **Experiment design not aligned with some PLA fee structures.** At least one institution interviewed uses an uncommon cost structure for PLA that presented unique challenges for implementing the experiment. This institution uses a variable cost structure for portfolio assessment where, in addition to an initial flat fee, students are charged a fee for each discipline area in which they later choose to submit a portfolio. This structure prevented financial aid staff from easily factoring these fees into a student's COA.
- **Inconsistent administrator understanding of experiment guidelines.** Some of the challenges to implementation may be due to a lack of understanding about the specific waivers and other details of the experiment. For example, one administrator was under the impression that students would no longer be eligible for full-time status if credits from PLA preparation were factored into their Pell enrollment status. However, the fact that students would indeed be eligible for full-time status using the PLA Pell credit award is explicitly addressed in overviews of the experiment from the Department.^{viii} There was also confusion among several staff around whether the PLA Pell credit award maximum could be distributed across multiple terms (which it can, as long as it does not exceed 3 credits over the course of an entire program).^{ix}

Conclusion

The experiences shared by institutions that have implemented the PLA experiment so far lend strong initial support to the case for allowing financial aid to cover the costs of PLA: doing so can lead to significant time and cost savings as well as improved persistence and completion outcomes among students.

A 21st Century version of the HEA needs to account for the different ways that today's students engage with higher education, and its Title IV regulations should cover the student costs of not only instructional programs but also the assessment and recognition of college-level learning that can take place outside of the traditional classroom—in the workplace, on the internet, in the military, or through other life experiences.

As the Department of Education's PLA experiment continues, we look forward to hearing more about the experiences of implementing institutions and their students. These results will be critical to glean useful insights that can inform more permanent, policy and regulatory changes.

Endnotes

ⁱ Anthony P. Carnevale, Nicole Smith, and Jeff Strohl. *Recovery: Job Growth and Education Requirements through 2020* (Washington D.C., Georgetown University, Center on Education and the Workforce, 2013), <http://cew.georgetown.edu/recovery2020/>.

ⁱⁱ Lexi Anderson. "27 is the new 18: Adult students on the rise," *Education Commission of the States*, last modified August 3, 2016, <http://www.ecs.org/27-is-the-new-18-adult-students-on-the-rise/>.

ⁱⁱⁱ Rebecca Klein-Collins, *Fueling the Race to Postsecondary Success: A 48-Institution Study of Prior Learning Assessment and Adult Student Outcomes* (Chicago: CAEL, 2010), http://www.cael.org/pdfs/PLA_Fueling-the-Race.

^{iv} David A. Bergeron, *Dear Colleague Letter: Applying for Eligibility for Direct Assessment (Competency-Based) Programs*, no. GEN-13-10, (Washington D.C., Office of Postsecondary Education, United States Department of Education, March 19, 2013), <https://ifap.ed.gov/dpcletters/attachments/GEN1310.pdf>.

^v Federal Register Volume 79, Number 147 (Thursday, July 31, 2014), 44429, 44432.

^{vi} "Schools Participating in Experimental Sites," United States Department of Education, February 9, 2017, <https://experimentalsites.ed.gov/exp/pdf/ESIParticipants.pdf>.

^{vii} Jillian Klein, "Early Results in Capella's Prior Learning Assessment Experimental Site Initiative," *The Journal of Continuing Higher Education* 65, no. 1 (March 7, 2017), doi:10.1080/07377363.2017.1272401.

^{viii} Federal Register Volume 79, Number 147 (Thursday, July 31, 2014), 44431.

^{ix} February 4, 2015 PLA Webinar training: <https://experimentalsites.ed.gov/exp/pdf/020415LDATranscript.doc>.

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