

Session #31

Experimental Sites A New Beginning

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Background

- Section 487A(b) of the Higher Education Act allows the Secretary to select a limited number of institutions for voluntary participation as experimental sites.
- Participating schools experiment with alternative approaches for administering the student assistance programs authorized under Title IV of the HEA.

Earlier Experiments

Approximately 100 institutions have participated in one or more experiments implemented under the authority of section 487A(b) of the HEA.

Earlier Experiments: Resulting in Changes to the HEA

- Expansion of the ATB provision to include completion of credit hours,
- FFEL/Direct Loan Disbursement Relief
 - 30 Day Delay
 - Multiple Disbursements

Earlier Experiments: Resulting in Changes to Regulations

- Federal Work-Study Payments
 - Crediting student's school account
 - Electronic funds transfer (EFT) to student's bank account
- Federal Work-Study Timekeeping
 - Electronic timesheets allowed

Earlier Experiments: That Did Not Result in a Change

- Entrance Loan Counseling
- Exit Loan Counseling
- Loan Fees in Cost of Attendance
- Loan Proration for Graduating Students
- Crediting of Title IV Aid
- Over-Award Tolerance

Why No Change?

- Anecdotal claims of costs and benefits rather than actual comparisons of results under experimental vs. current rules
- Doubts about whether the results experienced at participating schools would be duplicated at other Title IV institutions

New Experiments

- Two phase process recently announced in Dear Colleague Letter and Federal Register Notice (October 28, 2009)
- ED is placing additional emphasis on rigorous evaluations of the new experiment

Two-Phase Process of Launching New Experiments

Phase 1

- Schools submit suggestions for new experiments.
- ED builds on these suggestions and designs rigorous evaluations.

Phase 2

- New experiments and specific reporting requirements shared with schools.
- Schools apply to participate in the experiment(s) they choose.

Timing of Two Phases

- Phase 1 (October - December 2009).
- Phase 2 (Early 2010).
- Subsequent Phases will occur as a sufficient number of new ideas for experiments come in.

Guidelines for Suggesting Experiments

- Identify the statutory or regulatory requirement(s) involved.
- Articulate the perceived objective or reason for current rules.
- Identify problem(s) with requirement.
 - Unintended consequences for students.
 - Undue burden for schools.

Guidelines for Suggesting Experiments (continued)

- Describe an alternative approach that minimizes the problems with the current requirement, yet still meets the requirement's objectives.
- Identify any additional benefits of the alternative approach.

Guidelines for Suggesting Experiments (continued)

- Experiments may, but are not required to, include waivers of statutory, regulatory or procedural requirements.
- Secretary cannot waive requirements related to need analysis, award rules, and grant and loan maximum award amounts.
- No commitment on the part of the school or ED during the suggestion phase.

With Suggestions Include Ideas About Measuring:

- Undesirable aspects of complying with current requirement.
- How well the objective of current requirement is being met both now and under the proposed experiment.
- Any additional benefits associated with the proposal.
- As much as possible, try to use data that are routinely collected by your and other schools.

Final Thoughts on Suggesting New Experiments

- Schools encouraged to work together.
- ED very interested in experiments that may improve student outcomes:
 - Improved persistence
 - Shorter time to degree
 - Reduced outside work

ED Designs the Evaluations

The designs of all experiments must measure not only the results of the alternative approach, but also provide reasonable measures of what would have happened under the existing requirements.

Evaluation Designs

- Built upon school and internal suggestions.
- Must collect results obtained under both experimental and current requirements
 - Other schools
 - Unaffected students in same school.
- ED will likely seek feedback on possible evaluation strategies from the schools submitting suggestions.

Phase 2: Second Federal Register Notice

- Describes the new experiments in detail.
- Specifies the annual reporting requirements for each experiment.
- Invites schools to apply to participate.

Schools selected by ED to participate in experiments will:

- Enter into a written agreement with ED.
- Have their PPA modified.
- Be encouraged to collaborate with other schools in the same experiment.
- Submit an annual report satisfying all the reporting requirements specified in the 2nd Federal Register Notice and in the written agreement.

Informing Future Policy

- Evidence based decisions
 - Some good ideas will not work
 - Ideas that demonstrate their effectiveness should gain support
- Extra emphasis on evaluation rigor
 - Support more definitive conclusions
 - Know how alternative approaches work

Discussion

- Questions?
- Reactions?
- Ideas for new experiments?

Contact Information

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