

## NAICU Summary Information

### Federal Definition of Credit Hour

**Background:** Currently, there is no federal definition of “credit hour” in either law or regulation. Decisions about the award of credit hours are academic decisions subject to review by accreditors.

**Proposal:** The proposed regulations would: (1) provide a federal definition of credit hour to mean either a Carnegie unit or an equivalent amount of work over time or, alternatively, an institutionally established equivalency “as represented in intended learning outcomes and verified by evidence of student achievement”; (2) require accreditation agencies to review and evaluate the reliability and accuracy of an institution’s assignment of credit hours; and (3) revise the method of converting clock hours to credit hours.

**Department’s Concern:** The Department’s Inspector General (IG) believes there should be a standard federal definition of credit hour because credit hours are the basis on which federal student aid is awarded. The IG reviewed the practices of three regional accreditation agencies and concluded that the agencies’ review of credit hours is inadequate to protect tax dollars.

**NAICU’s Concern:** Having a federal definition of “credit hour” puts the federal government squarely in the middle of an academic decisionmaking process and limits the ability of institutions to respond to new models of higher education. During the negotiation process, NAICU representatives argued against including a federal definition; and agreement was reached to drop it. However, a definition was reinserted in the proposed regulations published by the Department.

**Action:** Contact the Department to ask that the definition of “credit hour” be dropped from the regulations. Points you may wish to raised include:

- The award of credit is fundamentally a measure of academic work and is the responsibility of a college to determine.
- The use of the credit hour for the delivery of student aid does not change its core purpose as an academic, not a fiscal, unit. Determination of its key components needs to remain an academic decision.
- It is appropriate for credit hour determinations to be reviewed through peer review and self-assessment processes. However, the determination and definition of a credit hour is the responsibility of each institutions--working through its academic structure, including faculty.
- Embedding a definition in federal regulation reduce the capacity of institutions to respond to innovative methods of teaching and learning.

**Department of Education**  
**Proposed Regulations: Program Integrity Issues**  
**June 18, 2010**

**DEFINITION OF CREDIT HOUR**

**Preamble (Pages 34809-12)**

Definition of a Credit Hour (§§600.2, 602.24, 603.24, and 668.8)

Statute: Section 481(a)(2) of the HEA defines an academic year for an undergraduate program, in part, as requiring a minimum of 24 semester or trimester credit hours or 36 quarter credit hours in a course of study that measures academic progress in credit hours or 900 clock hours in a course of study that measures academic progress in clock hours. Section 481(b) of the HEA defines an eligible program, in part, as a program of at least 600 clock hours, 16 semester hours, or 24 quarter hours or, in certain instances, a program of at least 300 clock hours, 8 semester hours, or 12 quarter hours. Sections 428(b)(1), 428B(a)(2), 428H(d)(1), 455(a)(1), and 484(b)(3) and (4) of the HEA specify that a student must be carrying at least one-half of the normal full-time work load for the student's course of study in order to qualify for any loan under parts B and D of title IV of the HEA. Section 401 of the HEA provides that a student's Federal Pell Grant must be adjusted based on the student's enrollment status and that a student must be enrolled at least half-time to be eligible for a second consecutive Federal Pell Grant in an award year. Section 496(a)(5)(H) of the HEA requires that an accrediting agency assess an institution's measure of program length. Section 487(c)(4) of the HEA requires that the Secretary publish a list of State agencies which the Secretary determines to be reliable authorities as to the quality of public postsecondary vocational education in their respective States for the purpose of determining institutional eligibility for Federal student assistance programs.

Current Regulations: There is no definition of a credit hour in any current regulations for programs funded under the HEA; and the term is not defined in the regulations that set out the requirements for the Secretary's recognition of accrediting agencies or State agencies for the approval of public postsecondary vocational education. The regulations that address an institutional accrediting agency's, or State approval agency's, reviews and evaluations of an institution's assignment of credit hours are set out in 34 CFR part 602 for an accrediting agency and 34 CFR part 603 for a State approval agency.

In current §668.8(k) and (l), the regulations provide the formula that certain undergraduate programs must use to convert the number of clock hours offered to the appropriate number of credit hours used for title IV, HEA aid calculations and the requirements for identifying the undergraduate programs subject to using the formula. For these programs, each semester or trimester hour must include at least 30 clock hours of instruction, and each quarter hour must include at least 20 hours of instruction. An institution must use the formula to determine if a program is eligible for title IV, HEA purposes unless (1) the institution offers an undergraduate program in credit hours that is at least two academic years in length and leads to an associate degree, a bachelor's

degree, or a professional degree or (2) each course within the program is acceptable for full credit toward an associate degree, bachelor's degree, or professional degree offered by the institution, and the degree offered by the institution requires at least two academic years of study.

#### Proposed Regulations:

##### Definition of a credit hour

The Department proposes to add to §600.2 a definition of a credit hour that would measure credit hours in terms of the amount of time and work during which a student is engaged in academic activity using commonly accepted academic practice in higher education, and further would provide for institutionally established equivalencies as represented by learning outcomes and verified achievement.

##### Accrediting agency procedures

The Department proposes to amend current §602.24 by adding a new paragraph (f). Proposed §602.24(f) would describe the responsibilities of an accrediting agency to review and evaluate an institution's policies and procedures for the assignment of credit hours and the institution's application of its policies and procedures in assigning credit hours to its programs and courses. An accrediting agency would be required to make a reasonable determination of whether the institution's assignment of credit hours conforms to commonly accepted practice in higher education. The proposed regulations in §602.24(f) also would provide that an accrediting agency may use sampling or other methods in its reviews of programs at institutions, must take such actions that it deems appropriate to address any deficiencies that it identifies, and must notify the Secretary promptly of any systemic noncompliance with the agency's policies or significant noncompliance regarding one or more programs at the institution.

##### State approval agency procedures

The Department proposes to amend current §603.24 by redesignating paragraph (c) as paragraph (d) and adding a new paragraph (c). For State agencies for the approval of public postsecondary education, proposed §603.24(c) would provide for the same responsibilities as described for accrediting agencies regarding the review and evaluation of an institution's policies and procedures for the assignment of credit hours and the institution's application of its policies and procedures in assigning credit hours to its programs and courses.

##### Clock-to-credit-hour conversion

Proposed §668.8(1)(1) would revise the method of converting clock hours to credit hours to use a ratio of the minimum clock hours in an academic year to the minimum credit hours in an academic year, i.e., 900 clock hours to 24 semester or trimester hours or 36 quarter hours. Thus, a semester or trimester hour would be based on at least 37.5 clock hours, and a quarter hour would be based on at least 25 clock hours. Proposed §668.8(1)(2) creates an exception to the conversion ratio in proposed §668.8(1)(1) if neither an institution's designated accrediting agency nor the relevant State licensing authority for participation in the title IV, HEA programs determines there are any

deficiencies in the institution's policies, procedures, and practices for establishing the credit hours that the institution awards for programs and courses, as defined in proposed §600.2. Under the exception provided by proposed §668.8(1)(2), an institution may combine students' work outside of class with the clock-hours of instruction in order to meet or exceed the numeric requirements established in proposed §668.8(1)(1). However, under proposed §668.8(1)(2), the institution must use at least 30 clock hours for a semester or trimester hour or 20 clock hours for a quarter hour.

In determining whether there is outside work that a student must perform, the analysis must take into account differences in coursework and educational activities within the program. Some portions of a program may require student work outside of class that justifies the application of proposed §668.8(1)(2). In addition, the application of proposed §668.8(1)(2) may vary within a program depending on variances in required student work outside of class for different portions of the program. Other portions of the program may not have outside work, and proposed §668.8(1)(1) must be applied. Of course, an institution applying only proposed §668.8(1)(1) to a program eligible for conversion from clock hours to credit hours, without an analysis of the program's coursework, would be considered compliant with the requirements of proposed §668.8(1).

Proposed §668.8(k)(1)(ii) modifies a provision in current regulations to provide that a program is not subject to the conversion formula in §668.8(1) where each course within the program is acceptable for full credit toward a degree that is offered by the institution and that this degree requires at least two academic years of study. Additionally, under proposed §668.8(k)(1)(ii), the institution would be required to demonstrate that students enroll in, and graduate from, the degree program.

Proposed §668.8(k)(2)(i) would provide that a program is considered to be a clock-hour program if the program must be measured in clock hours to receive Federal or State approval or licensure, or if completing clock hours is a requirement for graduates to apply for licensure or the authorization to practice the occupation that the student is intending to pursue. Under proposed §668.8(k)(2)(ii) and (iii), the program is also considered to be offered in clock hours if the credit hours awarded for the program are not in compliance with the definition of a credit hour in proposed §600.2, or if the institution does not provide the clock hours that are the basis for the credit hours awarded for the program or each course in the program and, except as provided in current §668.4(e), require attendance in the clock hours that are the basis for the credit hours awarded. The proposed regulations on which tentative agreement was reached did not include the provision in proposed §668.8(k)(2)(iii) that, except as provided in current §668.4(e), an institution must require attendance in the clock hours that are the basis for the credit hours awarded. However, during the negotiations we had previously proposed to include such a provision.

Proposed §668.8(k)(3) would provide that proposed §668.8(k)(2)(i) would not apply if a limited portion of the program includes a practicum, internship, or clinical experience component that must include a minimum number of clock hours due to a State or Federal approval or licensure requirement.

## **Reasons:**

### Definition of a credit hour

A credit hour is a unit of measure that gives value to the level of instruction, academic rigor, and time requirements for a course taken at an educational institution. At its most basic, a credit hour is a proxy measure of a quantity of student learning. The credit hour was developed as part of a process to establish a standard measure of faculty workloads, costs of instruction, and rates of educational efficiencies as well as a measure of student work for transfer students. While the credit hour was developed to provide some uniform measure, it may not consistently relate to comparable measures of time or workload within institutions or between different types of institutions. Most postsecondary institutions do not have specific policies or criteria to assign credit hours to coursework in a uniform manner.

In keeping with the original purpose of providing a consistent measure of at least a minimum quantity of a student's academic engagement, the proposed definition of a credit hour will establish a basis for measuring eligibility for Federal funding. This standard measure will provide increased assurance that a credit hour has the necessary educational content to support the amounts of Federal funds that are awarded to participants in Federal funding programs and that students at different institutions are treated equitably in the awarding of those funds.

We recognize, however, that other measures of educational content are being developed by institutions and do not intend to limit the methods by which an institution may measure a student's work in his or her educational activities. We, therefore, are including in paragraph (3) of the proposed definition of a credit hour a provision that an institution may provide institutional equivalencies for the amount of work specified in paragraph (1) of the proposed definition as represented in intended learning outcomes and verified by evidence of their achievement. Further, the institution's equivalencies must be in accordance with any process or conditions required by an institution's designated accrediting agency for title IV, HEA program participation, because these agencies are well positioned to provide oversight in this area.

During the negotiated rulemaking sessions, a few of the non-Federal negotiators were opposed to any proposal to define a credit hour because they believed that a definition would impinge upon an institution's ability to create innovative courses and teaching methods. They also argued that the proposed definition was too restrictive and inhibited the academic freedom of schools. Other non-Federal negotiators agreed that a definition was necessary and did not believe the Department's proposed definition would adversely impact institutions. These other non-Federal negotiators agreed with our position that the proposed definition of a credit hour would provide sufficient flexibilities for institutions and supported keeping it in the proposed regulations.

One significant change is proposed in the regulations to address a concern raised during the negotiated rulemaking sessions regarding a definition of a credit hour. The change is to recognize in paragraph (3) of the proposed definition that an institution would be able

to establish reasonable equivalent measures of a credit hour. As is also the case with paragraphs (1) and (2) of the proposed definition, the measures must be reasonable and in accordance with the requirements of the institution's designated accrediting agency, or State agency for the approval of public postsecondary vocational education, for title IV, HEA program participation as well as for participation in other HEA programs. This change further ensures that the definition will allow institutions to adopt alternative measures of student work.

The proposed definition of a credit hour does not change our policy that we provide funding based only on credit hours that are the direct result of postsecondary student work. Thus, we do not currently, nor do we propose to, provide funding for credits awarded based on Advanced Placement (AP) or International Baccalaureate (IB) programs, tests or testing out, life experience, or similar competency measures. No agreement was reached to amend §600.2 to include a definition of a credit hour due to the belief of some non-Federal negotiators that a definition would limit an institution's ability to use alternative measures of student work.

#### Accrediting agency procedures

Section 496(a)(5) of the HEA requires that, to be recognized by the Secretary, an accrediting agency must have standards to evaluate an institution's or program's "measures of program length and the objectives of the degrees or credentials offered." Thus, accrediting agencies are required to make a judgment about program length and the amount of credit an institution or program grants for course work. Accrediting agency standards related to program length differ significantly in their specificity and these standards generally do not define what a credit hour is. This lack of specificity in standards covering student achievement and program length has inherent limitations and may result in inconsistent treatment of Federal funds.

We believe that the lack of more direct accrediting agency oversight in the assignment of credits to coursework may result in some institutions not being able to demonstrate that there is sufficient course content to substantiate the credit hours for certain programs. Such abuse may be more likely due to the expanded availability to a student of two Federal Pell Grants in an award year. We believe that the potential for such abuse and the inconsistent treatment of Federal funds would be significantly alleviated by establishing the proposed definition of credit hour in §600.2 and providing in proposed §602.24(f) that accrediting agencies must review (1) an institution's policies and procedures for the assignment of credit hours in accordance with the proposed definition in §600.2 and (2) the institution's application of its policies and procedures in assigning credit hours to its programs and courses.

The negotiators reached tentative agreement on adding proposed §602.24(f).

#### State agency procedures for the approval of public vocational education

The regulations concerning the recognition of State agencies for the approval of public vocational education were not discussed during the negotiations. We believe that §603.24 should be amended to make changes comparable to the proposed regulations for the recognition of accrediting agencies. We believe these proposed changes are needed for

the same reasons as we are proposing to amend part 602. The changes are also necessary for purposes of determining equivalencies to a credit hour under paragraph (3) of the proposed definition of a credit hour in §600.2 as well as for §668.8(l) regarding credit-to-clock-hour conversions.

#### Credit-to-clock-hour conversion

Section 668.8(k) and (l) of the current regulations that provide conditions and formulas for the conversion of clock hours to credit hours for undergraduate programs were adopted prior to the statutory change in the definition of an academic year for clock-hour programs. Under section 481(b) of the HEA, an academic year for a program must now provide for a minimum of 26 weeks of instructional time in a clock-hour program as opposed to the 30 weeks of instructional time required for credit-hour programs. However, undergraduate programs continue to include 900 clock hours, 24 semester or trimester hours, or 36 quarter credits. We are proposing to update the formula to reflect the statute's treatment of 900 clock hours over 26 weeks of instructional time as reflecting no outside student work and the 900 clock hours being directly proportional to 24 semester hours or 36 quarter credits.

As a result, proposed §668.8(l)(1) would revise the minimum general standard for converting clock hours to credit hours to reflect the ratio of the minimum clock hours in an academic year to the minimum credit hours in an academic year. As some non-Federal negotiators noted, portions of some clock-hour programs require student work outside of class. Proposed §668.8(l)(2) would, therefore, provide an exception to the standard in proposed §668.8(l)(1) for coursework in a program that qualifies for a lesser rate of conversion based on additional student work outside of class. For coursework that includes student work outside of class in a qualifying program, an institution would take into account the amount of outside coursework to determine the appropriate number of clock hours to convert to a credit hour, but may not use less than the current requirements of 30 clock hours for a semester or trimester hour or 20 clock hours for a quarter hour.

We believe that changes are needed to the conditions in current §668.8(k)(1) for determining that a program is not subject to the conversion formula in §668.8(l). We have identified potential abuses with the provision that an institution's program is not subject to the conversion formula in §668.8(l) if each course within the program is acceptable for full credit toward a degree that is offered by the institution and requires at least two academic years of study.

Some institutions appear to have established degree programs in which few if any students enroll or graduate but which are the basis for claiming that all courses of another nondegree program are acceptable for full credit in the degree program. To address this abuse, proposed §668.8(k)(1)(ii) would require the institution to demonstrate that students enroll in, and graduate from, the degree program. Proposed §668.8(k)(2)(i) would provide that a program must be considered a clock-hour program if the program must be measured in clock hours to receive Federal or State approval or licensure or completing clock hours is a requirement for graduates to apply for licensure or the authorization to practice the occupation that the student is intending to pursue. We believe such requirements show that the program is still fundamentally a clock-hour program and should not be treated as a credit-hour program for purposes of title IV, HEA

program assistance. We also believe it is appropriate under proposed §668.8(k)(2)(ii) and (iii) to require that a program must be considered to be offered in clock hours if an institution is failing either to award the credit hours that are in compliance with the definition of a credit hour in proposed §600.2 or to ensure that students are attending at least the minimum number of clock hours that are the basis for the credit hours awarded for the program. A program that may qualify for conversion to credit hours is still fundamentally a clock-hour program that must meet additional requirements. If the provisions of proposed §668.8(k)(1) and (2) are applicable, a program should not qualify for conversion to credit hours because the program's essential nature as a clock-hour program requires that it be measured in clock hours for other purposes or because it fails to be offered in a manner that supports the conversion.

In response to some non-Federal negotiators' concerns, proposed §668.8(k)(3) would clarify the requirements in proposed §668.8(k)(2)(i) by providing that proposed §668.8(k)(2)(i) would not apply if a limited portion of a program such as a practicum, internship, or clinical experience component must be measured in clock hours due to a State or Federal approval or licensure requirement. We agree with the non-Federal negotiators that such a limited requirement should not be an impediment to the program qualifying for a clock-to-credit-hour conversion.

The negotiators reached tentative agreement on proposed §668.8(l) and (k), except for proposed §668.8(k)(2)(iii) which has been changed to provide that an institution must require attendance in the clock hours that are the basis for the credit hours awarded, except as provided in current §668.4(e). We believe the change assures that the clock hours are being offered and that students are attending the clock hours that are the basis for the clock-to-credit-hour conversion.

### **Regulatory Language: Definition (Page 34872)**

2. Section 600.2 is amended by:
  - A. Adding, in alphabetical order, the definition of a Credit hour.
  - B. Revising the definition of Recognized occupation.

The addition and revision read as follows:

§600.2 Definitions.

\* \* \* \* \*

Credit hour: Except as provided in 34 CFR 668.8(k) and (l), a credit hour is—

(1) One hour of classroom or direct faculty instruction and a minimum of two hours of out of class student work each week for approximately fifteen weeks for one semester or trimester hour of credit, or ten to twelve weeks for one quarter hour of credit, or the equivalent amount of work over a different amount of time;

(2) At least an equivalent amount of work as required in paragraph (1) of this definition for other academic activities as established by the institution including laboratory work,

internships, practica, studio work, and other academic work leading to the award of credit hours; or

(3) Institutionally established reasonable equivalencies for the amount of work required in paragraph (1) of this definition for the credit hours awarded, including as represented in intended learning outcomes and verified by evidence of student achievement.

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**Regulatory Language: Accreditation (Page 34872)**

8. Section 602.24 is amended by adding a new paragraph (f) to read as follows:

§602.24 Additional procedures certain institutional accreditors must have.

\* \* \* \* \*

(f) Credit-hour policies. The accrediting agency, as part of its review of an institution for initial accreditation or preaccreditation or renewal of accreditation, must conduct an effective review and evaluation of the reliability and accuracy of the institution's assignment of credit hours.

(1) The accrediting agency meets this requirement if--

(i) It reviews the institution's--

(A) Policies and procedures for determining the credit hours, as defined in 34 CFR 600.2, that the institution awards for courses and programs; and

(B) The application of the institution's policies and procedures to its programs and coursework; and

(ii) Makes a reasonable determination of whether the institution's assignment of credit hours conforms to commonly accepted practice in higher education.

(2) In reviewing and evaluating an institution's policies and procedures for determining credit hour assignments, an accrediting agency may use sampling or other methods in the evaluation, sufficient to comply with paragraph (f)(1)(i)(B) of this section.

(3) The accrediting agency must take such actions that it deems appropriate to address any deficiencies that it identifies at an institution as part of its reviews and evaluations under paragraph (f)(1)(i) and (ii) of this section, as it does in relation to other deficiencies it may identify, subject to the requirements of this part.

(4) If, following the institutional review process under this paragraph (f), the agency finds systemic noncompliance with the agency's policies or significant noncompliance regarding one or more programs at the institution, the agency must promptly notify the Secretary.

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**Regulatory Language: State Approval – Public Postsecondary (This applies to a very small subset of public institutions.) (Pages 34872-73)**

**PART 603--SECRETARY'S RECOGNITION PROCEDURES FOR STATE AGENCIES**

9. The authority citation for part 603 is revised to read as follows:

AUTHORITY: 20 U.S.C. 1001, 1002, 1094(c)(4); 42 U.S.C. 293a(b), 38 U.S.C. 3675, unless otherwise noted.

10. Section 603.24 is amended by redesignating paragraph (c) as paragraph (d) and adding a new paragraph (c) to read as follows:

§603.24 Criteria for State agencies.

\* \* \* \* \*

(c) Credit-hour policies. The State agency, as part of its review of an institution for initial approval or renewal of approval, must conduct an effective review and evaluation of the reliability and accuracy of the institution's assignment of credit hours.

(1) The State agency meets this requirement if--

(i) It reviews the institution's--

(A) Policies and procedures for determining the credit hours, as defined in 34 CFR 600.2, that the institution awards for courses and programs; and

(B) The application of the institution's policies and procedures to its programs and coursework; and

(ii) Makes a reasonable determination of whether the institution's assignment of credit hours conforms to commonly accepted practice in higher education.

(2) In reviewing and evaluating an institution's policies and procedures for determining credit hour assignments, a State agency may use sampling or other methods in the evaluation, sufficient to comply with paragraph (c)(1)(i)(B) of this section.

(3) The State agency must take such actions that it deems appropriate to address any deficiencies that it identifies at an institution as part of its reviews and evaluations under paragraph (c)(1)(i) and (ii) of this section, as it does in relation to other deficiencies it may identify, subject to the requirements of this part.

(4) If, following the institutional review process under this paragraph (c), the agency finds systemic noncompliance with the agency's policies or significant noncompliance regarding one or more programs at the institution, the agency must promptly notify the Secretary.

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**Regulatory Language: Clock Hours (Page 34874)**

15. Section 668.8 is amended by:

A. Revising paragraph (c)(3).

B. In paragraph (d)(2)(iii), adding the words, “as provided under §668.6” immediately after the word “occupation.”

C. In paragraph (d)(3)(iii), adding the words, “as provided under §668.6” immediately after the word “occupation.”

D. Revising paragraphs (k) and (l).

The revisions read as follows:

§668.8 Eligible program.

\* \* \* \* \*

(c) \* \* \*

(3) Be at least a one-academic-year training program that leads to a certificate, or other nondegree recognized credential, and prepares students for gainful employment in a recognized occupation.

\* \* \* \* \*

(k) Undergraduate educational program in credit hours. (1) Except as provided in paragraph (k)(2) of this section, if an institution offers an undergraduate educational program in credit hours, the institution must use the formula contained in paragraph (l) of this section to determine whether that program satisfies the requirements contained in paragraph (c)(3) or (d) of this section, and the number of credit hours in that educational program for purposes of the title IV, HEA programs, unless—

(i) The program is at least two academic years in length and provides an associate degree, a bachelor's degree, a professional degree, or an equivalent degree as determined by the Secretary; or

(ii) Each course within the program is acceptable for full credit toward that institution's associate degree, bachelor's degree, professional degree, or equivalent degree as determined by the Secretary provided that--

(A) The institution's degree requires at least two academic years of study; and

(B) The institution demonstrates that students enroll in, and graduate from, the degree program.

(2) A program is considered to be a clock-hour program for purposes of the title IV, HEA programs if—

(i) Except as provided in paragraph (k)(3) of this section, a program is required to measure student progress in clock hours when--

(A) Receiving Federal or State approval or licensure to offer the program; or

(B) Completing clock hours is a requirement for graduates to apply for licensure or the authorization to practice the occupation that the student is intending to pursue;

(ii) The credit hours awarded for the program are not in compliance with the definition of a credit hour in 34 CFR 600.2; or

(iii) The institution does not provide the clock hours that are the basis for the credit hours awarded for the program or each course in the program and, except as provided in

§668.4(e), requires attendance in the clock hours that are the basis for the credit hours awarded.

(3) The requirements of paragraph (k)(2)(i) of this section do not apply to a program if there is a State or Federal approval or licensure requirement that a limited component of the program must include a practicum, internship, or clinical experience component of the program that must include a minimum number of clock hours.

(l) Formula. (1) Except as provided in paragraph (l)(2) of this section, for purposes of determining whether a program described in paragraph (k) of this section satisfies the requirements contained in paragraph (c)(3) or (d) of this section, and of determining the number of credit hours in that educational program with regard to the title IV, HEA programs--

- (i) A semester hour must include at least 37.5 clock hours of instruction;
- (ii) A trimester hour must include at least 37.5 clock hours of instruction; and
- (iii) A quarter hour must include at least 25 clock hours of instruction.

(2) The institution's conversions to establish a minimum number of clock hours of instruction per credit may be less than those specified in paragraph (l)(1) of this section, if neither the institution's designated accrediting agency nor the relevant State licensing authority for participation in the title IV, HEA programs has identified any deficiencies with the institution's policies and procedures, or their implementation, for determining the credit hours, as defined in 34 CFR 600.2, that the institution awards for programs and courses, in accordance with 34 CFR 602.24(f), or, if applicable, 34 CFR 603.24(c), so long as--

- (i) The institution's student work outside of class combined with the clock-hours of instruction meet or exceed the numeric requirements in paragraph (l)(1) of this section; and
- (ii)(A) A semester hour must include at least 30 clock hours of instruction;
- (B) A trimester hour must include at least 30 clock hours of instruction; and
- (C) A quarter hour must include at least 20 hours of instruction.

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### **Need for Regulatory Action (Page 34851)**

**(This is basically a summary of the material in the preamble.)**

Definition of a Credit Hour (§§600.2, 602.24, 603.24, and 668.8): Credit hours are used to measure degree completion and award title IV, HEA aid, but under current regulations there is no commonly accepted definition of a credit hour. The increased availability of weekend, evening, and distance education programs complicates the measurement of credit hours by seat time in the definitions and conversion formulas existing under current regulations. In current §668.8(k) and (l), the regulations provide the formula that certain undergraduate programs must use to convert the number of clock hours offered to the appropriate number of credit hours, with each semester or trimester hour requiring at least 30 clock hours of instruction, and each quarter hour requiring at least 20 hours of

instruction. An institution must use the formula to determine if a program is eligible for title IV, HEA purposes unless (1) the institution offers an undergraduate program in credit hours that is at least two academic years in length and leads to an associate degree, a bachelor's degree, or a professional degree or (2) each course within the program is acceptable for full credit toward an associate degree, bachelor's degree, or professional degree offered by the institution, and the degree offered by the institution requires at least two academic years of study.

The proposed regulations would add a definition of a credit hour, amend accrediting agency procedures for reviewing the assignment of credit hours, and revise the clock-to-credit hour conversion formulas. Under the proposed regulations, a credit hour is defined as a unit measuring the amount of work consisting of one hour of classroom or direct faculty instruction and at least two hours of student work outside the classroom over a set period of time. The required time period is fifteen weeks for a semester or trimester credit hour, ten to twelve weeks for a quarter hour of credit, and the equivalent amount of work for a different amount of time. For other activities that grant credit such as internships, studio work, and laboratory work, the institution must require at least a comparable amount of work to award credit hours. For programs for which the provisions above are not appropriate, the institution must establish reasonable equivalencies as represented by learning outcomes for the amount of work required in the definition of a credit hour.

The credit hour was developed as part of a process to establish a standard measure of faculty workloads, costs of instruction, and rates of educational efficiencies as well as a measure of student work for transfer students. A standard measure will provide increased assurance that a credit hour has the necessary educational content to support the amounts of Federal funds that are awarded to participants in Federal funding programs and that students at different institutions are treated equitably in the awarding of those funds. During the negotiated rulemaking sessions, a few of the non-Federal negotiators were opposed to any proposal to define a credit hour because they believed that a definition would impinge upon an institution's ability to create innovative courses and teaching methods. Other non-Federal negotiators agreed with the Department that the proposed definition of a credit hour would provide sufficient flexibilities for institutions and supported keeping it in the proposed regulations. In response to these concerns, the proposed regulations were changed to allow institutions to establish reasonable equivalent measures of a credit hour in accordance with its accrediting agency's requirements and adopt alternative measures of student work. The proposed definition of a credit hour does not change the policy providing funding based only on credit hours that are the direct result of postsecondary student work and not Advanced Placement (AP) or International Baccalaureate (IB) programs, tests or testing out, life experience, or similar competency measures. No agreement was reached on this issue due to the belief of some non-Federal negotiators that a definition would limit an institution's ability to use alternative measures of student work.

In addition, the proposed regulations require accrediting agencies to review an institution's assignment of credit hours and determine that they comply with accepted practice in higher education. Accrediting agencies may use sampling or other methods in reviews of programs at institutions. The accrediting agency must take actions to address

deficiencies identified in such a review and must inform the Secretary if it finds systemic noncompliance or significant noncompliance in one or more programs at an institution.

Finally, the proposed regulations would revise the clock-to-credit hour conversion process. Proposed §668.8(l)(1) would modify existing clock hour to credit hour conversion formulas so a semester or trimester credit hour must include at least 37.5 clock hours of instruction and a quarter hour must include at least 25 clock hours of instruction. If an institution's process for determining credit hours has not been found deficient by the accrediting or state licensing agency, then the minimum clock hours of instruction can be reduced to 30 for semester and trimester programs and 20 for quarter programs as long as the combined instruction and work outside the class meets the longer requirements described above. With respect to the definition of an eligible program in §668.8, the proposed regulations require that institutions demonstrate that students enroll in and graduate from the degree program. The proposed regulations also require a program to use clock hours when accrediting agencies determine that an institution's policies and procedures about credit hours are deficient or when completing clock hours is required for graduates to apply for a license or authorization to practice their intended occupation.