



INDIANA COMMISSION *for* HIGHER EDUCATION

To: Government Relations and Financial Aid Officials
From: Sean Tierney, Associate Commissioner for Policy and Research
Colby Shank, Assistant Commissioner for Financial Aid and Student Support Services
Date: November 29, 2017
RE: State Financial Aid for Prior Learning Assessments

State financial aid may be used for prior learning assessments (PLA). The following guidance is in effect.

Background

The American Council on Education describes PLA as follows: “Many colleges evaluate the college-level knowledge and skills an individual has gained outside of the classroom for college credit. This evaluation is called prior learning assessment (PLA), but can also be called experiential learning or credit for prior learning.” Existing state and federal financial aid rules are often not compatible with PLA costs.

On March 10, 2016, the Indiana Commission for Higher Education adopted Reaching Higher, Delivering Value, the Commission’s new strategic plan for higher education that charts the course for Indiana’s post-secondary efforts between 2016 and 2020. The second pillar of Reaching Higher, Delivering Value centers on “Competency – what students know and are able to do – should be the building block of higher education.” One of the key strategies outlined in the plan to “Encourage Competency-Based Approaches” is to “allow state financial aid dollars to pay fees associated with prior learning assessments to make the most efficient use of student time and taxpayer dollars.”

In 2017, the Indiana General Assembly and Governor Holcomb championed this strategy in House Enrolled Act 1281, creating “Chapter 17. Prior Learning Assessment” within Indiana Code 21-12. Chapter 17 reads as follows:

Chapter 17. Prior Learning Assessments

Sec. 1. A recipient of a grant, scholarship, or remission of fees listed under IC 21-12-13-1 or IC 21-12-13-2 may use the funds from the grant, scholarship, or remission of fees to pay for costs associated with a prior learning assessment that the student attempts to earn during the academic year in which the student receives the grant, scholarship, or remission of fees if the prior learning assessment:

- (1) has been approved by the commission; and
- (2) costs not more than fifty percent (50%) of the full tuition and fees for an equivalent number of credits at Ivy Tech Community College of Indiana.

Sec. 2. A recipient described in section 1 of this chapter who attempts to earn credits for a prior learning assessment may count the anticipated credit hours for that academic term, as determined by the commission, toward the full-time and part-time attendance requirements under:

- (1) IC 21-12-3-1 (Higher Education Awards);
- (2) IC 21-12-6-3 (Twenty-First Century Scholars Program);
- (3) IC 21-12-8-3 (Adult Student Grant Program);
- (4) IC 21-13-2-4 (Minority Teacher Scholarship); and
- (5) IC 21-13-4 (National Guard Tuition Supplement Program).

Eligibility process

The process for determining the amount of state aid a PLA offering is eligible for is as follows:

1. An Institution submits the PLA financial aid eligibility form to the Commission.

Starting December 1, 2017, institutions may submit their current PLA offerings to the Indiana Commission for Higher Education via the attached PLA financial aid eligibility form with the actual cost (to the student) of the PLA and the "anticipated number of credit hours students earn." The "anticipated number of credits" is defined as the median number of credit hours earned from attempting the PLA by students at that institution. At least three years of data should be used, if available. Students who attempted the PLA offering or program but did not earn any credit must be included in the calculation. New PLA programs should use an estimate of the median until that data becomes available.

Unless otherwise directed, institutions must submit the eligibility form annually for a PLA to maintain eligibility for state financial aid.

2. Using all relevant information, the Commission may approve PLA programs for financial aid and calculate the "anticipated number of credit hours" for each approved PLA program.

If a submission is approved, that PLA program will become eligible for state financial aid administered by the Commission. An approval or disapproval is for financial aid purposes only; it is not a judgment of the merits of a PLA program, nor is it an endorsement of a PLA program. Based on the eligibility form and other relevant information, the Commission will classify each PLA offering as a portfolio, examination, or other form of PLA.

3. From the anticipated number of credit hours, the Commission calculates the maximum allowable amount of aid that can be claimed for each PLA program.

The maximum allowable amount will be less than or equal to the program's anticipated number of credit hours multiplied by 50% of Ivy Tech's per credit hour tuition and fees rate.

4. If the maximum allowable amount of aid for a PLA is greater than that PLA's fees, the allowable amount of aid is reduced. The allowable amount of aid may be further reduced at the Commission's discretion.

For example: Over the past three years, the median student has earned 3 credits from an eligible PLA program. Ivy Tech currently charges \$137.85 per credit plus a \$60 technology fee per semester (or \$4 per credit for on-time students). The maximum allowable financial aid for this program would be \$210 (\$137.85 plus \$4, multiplied by 50%, multiplied by 3). If the fees for that PLA are less than \$210, then the maximum allowable financial aid would be reduced.

More flexibility, not more funds

This policy does not constitute the creation of a new financial aid award. Rather, it allows students to use their existing awards to cover the costs of PLA. Usage of an award for PLA will count towards the maximum amount a student may receive in an academic term and will count towards all relevant limits on a student's lifetime financial aid eligibility.

Types of PLA that are eligible for state financial aid

Accepted forms of PLA under these guidelines include but are not necessarily limited to examinations (e.g., CLEP) and portfolios (e.g., CAEL LearningCounts). Based on the eligibility form and other relevant information, the Commission will classify each PLA offering as a portfolio, examination, or other form of PLA. Questions about the financial aid eligibility of PLA offerings should be directed to Sean Tierney, Associate Commissioner for Policy and Research.

PLA fees covered by state financial aid

State financial aid may be used to cover fees for: 1.) administering a PLA examination; 2.) guiding the development of a PLA portfolio; 3.) faculty or staff time dedicated to assessing a PLA for credit; and 4.) processing and awarding credit for the results of a PLA examination. All such fees must be charged by the student's current institution. Fees that are charged by a third party directly to a student are not eligible for state financial aid.

Timing of PLAs

State financial aid may be used by students only while enrolled at an eligible institution of higher education. Students who are not enrolled at the time the PLA is administered may not use state financial aid to pay for the administration of the PLA. State financial aid may pay for a fee accrued during enrollment (e.g., a fee for processing or auditing the results for credit), even if the fee is associated with a PLA that was administered before the student was enrolled.

Enrollment requirements

When determining whether a student meets enrollment requirements to use state financial aid, an institution may consider the anticipated credits from a PLA portfolio on which work has begun that academic term. The institution should not consider the anticipated credits earned from other PLA forms, including examinations.

When claiming tuition and fee exemptions from the state (e.g., a Child of Disabled Veteran award) for fees associated with PLA, institutions should deduct the anticipated credit hours from students' eligibility.

Additional Guidance

The Commission encourages institutions to do the following:

1. Institutions are encouraged to establish policies that require students wishing to use state financial aid for costs associated with PLA to first discuss with a knowledgeable advisor at least the following: PLAs, a degree plan, financial aid implications, and other relevant considerations. State financial aid should be used only for costs associated with PLAs that are expected to count toward the student's degree plan or program of study. Students should be made aware that this policy effects only state aid, and not federal, private, or institutional aid.
2. In instances in which students are eligible for non-state aid for PLA (e.g., U.S. Department of Defense DANTES funds for military DSST exams), institutions are urged to advise students to make use of non-state aid before using state financial aid awards