Credit Hour Definition

Primary statutory cites:	HEA Secs. 481, 401, 484, 487, 496. 498A
Primary regulatory cites:	34 CFR 600.2 Definitions 34 CFR 602.3, What Definitions Apply to This Part? 34 CFR 602.24, Additional Procedures Certain Institutional Accreditors Must Have 34 CFR 603.24, Criteria for State Agencies 34 CFR 668.2, General Definitions 34 CFR 668.8, Eligible Program 34 CFR 668.113, Request for Review

The credit hour forms the bedrock of the federal financial aid system. As the Department of Education wrote in 2010, "[a] credit hour is a unit that gives weighting to the value, level, or time requirements of an academic course taken at an educational institution." Generally speaking, if you earned a bachelor's degree, you completed at least 120 credit hours of work; if you enrolled full-time and got a Pell Grant, you took at least 12 credit hours that semester. It is the basis on which colleges award time and credentials earned toward a degree; on which accreditors assess the length of programs, as required by the Higher Education Act; and on which the federal government determines the amount of aid for which students are eligible.

Origins of the "Credit Hour"

The term "credit hour" grew out of an effort near the turn of the 20th century by Andrew Carnegie to provide pensions to college professors. The Carnegie Foundation for the Advancement of Teaching launched a pension program for professors; to participate, institutions had to agree to use a "standard unit" of time, proposed by the National Education Association in the late 1800s, for admission of high school graduates. As colleges agreed to use the standard measure for admissions, they also began to adopt the measure for their own academic programs, and conditioned professors' participation in the pension system on faculty workload. The "Carnegie Unit" considered faculty to be full-time if they taught at least 12 credit units. Each unit equaled one hour of faculty-student contact contact time per week over a 15-week semester.

Federal Policy and the Credit Hour

Since the amount of federal aid is tied to credit hours, institutions can draw down more federal aid as students take on more credits. Over the history of the federal aid programs, there have been abuses related to inflating credit hours, whether directly or through expanded "weeks of instruction" or program length, that resulted in in both legislative and regulatory actions to curb said abuses. Work by the Education Department's inspector general (IG) during the late 1980s and early 1990s turned up abuses of federal dollars related to the length of programs. Specifically, the IG found that some institutions were inflating the lengths of their programs--without increasing the amount of instruction they offered--as a way to accumulate even more federal dollars. The longer students were enrolled at the school, the more aid they eventually became eligible for, giving unscrupulous institutions an incentive to stretch out the programs without increasing their own costs of instruction. Those abuses led Congress to change both program length requirements and accrediting agency oversight requirements in the 1992 HEA reauthorization at the recommendation of the IG.

As a result of the 1992 HEA reauthorization, undergraduate programs had to include at least 30 weeks of instructional time, in which a full-time student is expected to complete at least 24 credit hours. Accrediting agencies were also required to set standards around program length and review institutions' compliance with the law as part of their reviews. Generally, institutions met the requirement using the Carnegie formula-- one credit hour totaled about one hour of classroom work and two hours of work outside the classroom. The Department defined a week of instructional time for those programs as any in which at least one day of regularly scheduled instruction or examination occurred. While this fit pretty neatly in traditional on-campus programs with more full-time students who started in the fall semester, it wasn't a great fit for emerging "non-traditional" programs where students might start at different times and take courses in different ways, so Department had to come up with another way to define "a week of instruction." It published the 1994 12-Hour Rule, which said that for such programs without standard terms, a week of instruction was one in which at least 12 hours of regularly scheduled instruction or examination occurred. These regulations sought to strike a balance between the growth of nontraditional programs in which colleges didn't operate on the usual semester schedule, and the law's requirements around program length and credit-hour requirements.

It wasn't long before institutions offering nontraditional programs subject to the 12-Hour Rule started to complain to the Department that the regulation wasn't flexible enough for colleges and was hard to measure in distance education programs. At Congress' direction, the Department convened meetings of institutions subject to the rule; and in 2002, opted to eliminate the rule and instead adopted the One-Day Rule. Under that rule, all institutions were required to provide only one day of regularly scheduled instruction during each week of an academic year -- with no requirements around how *much* instruction they had to provide on that one day, or even what instruction meant.

Again, the Inspector General raised concerns. In 2002-2003, the IG investigated several regional and national accrediting agencies to better understand the implications of eliminating the 12-Hour Rule. It found that neither of the two regional accreditors it examined had a credit hour definition in place, and barely had defined program-length standards (both national accreditors audited did). Ahead of the scheduled 2004 reauthorization of the Higher Education Act, the IG accordingly recommended that Congress establish a statutory definition of a credit hour, noting that "[a]bsent a definition of a credit hour, there are no measures in the HEA or regulations to ensure comparable funding across different types of educational programs" and that "[h]aving a definition of a credit hour could also help with the transfer of credit issue." Congress did not adopt the recommendation, and until recently, the term "credit hour" had no standard definition across institutions. In fact, many institutions had no official policies at all about how they aligned credit hours to coursework.

Accrediting Agencies and the Credit Hour

Accrediting agencies have long been required to establish standards for the program-lengths of institutions they review and approve--but without commensurate guidance on what constitutes a credit hour, there is significant risk for abuse. The IG investigated accreditors as the Department's 2009-10 rulemaking process on the credit hour began, and found that of the three regional accrediting agencies it investigated (which collectively accredited one-third of all institutions participating in the federal financial aid programs), oversight of program length was inconsistent and sometimes inadequate, and none included a definition of a credit hour. The IG said at the time that "[t]heir failure to do so could result in inflated credit hours, the improper designation of full-time student status, the over-awarding of federal student aid funds, and excessive borrowing by students, especially with distance, accelerated, and other programs not delivered through the traditional classroom format." While two of the accrediting agencies told the IG that they were instead more focused on student learning outcomes than on time-based measures, the accreditors also "provided no guidance to institutions or peer reviewers on acceptable minimum student learning outcomes…"

In the process of the review, the IG also found a particularly egregious example of credit inflation by an institution. American Intercontinental University (AIU), a for-profit college owned by Career Education Corporation, had been found by the Higher Learning Commission (HLC) during an initial review to have "egregious[ly]" inflated its credits. As described by then-Rep. George Miller (D-CA) in a congressional hearing, the policy essentially permitted a student to obtain a bachelor's degree with an associate degree plus one year of study -- far below the usual four years of study (or the equivalent work) required. The IG wrote in an alert memorandum to the Department that "[t]he implication of this analysis is far-reaching for AIU, affecting degree requirements, faculty requirements, and financial aid policies… If the credits were to be properly calibrated, students who evaluated AIU's value proposition in terms of cost of degree, time to degree, may see that the cost and time double…" (Read into the record in part here.) In other words, when institutions inflate their credits, students--and taxpayers--pay, without getting what they are paying for.

What Happened at American InterContinental University?

American InterContinental University (AIU) students, primarily in the business school, took a nine-credit course every five weeks over a fifteen-week period. Students could either enroll in one class at a time for five weeks, or two classes at the same time for 10 weeks. Nine-credit classes on a quarter-system like AIU's are comparable to a six-credit class on a semester-schedule, so students were taking far beyond the typical number of credits for a full-time student--27 credits per term, compared with the more standard 18 credits.

HLC raised concerns about course inflation in its initial review. However, it allowed the school to "restructure" the courses into two, 4.5-credit courses, rather than single, 9-credit courses, and approved AIU's accreditation. Unsurprisingly, the Inspector General at the Education Department raised concerns that such a process is little more than rearranging deck chairs on the Titanic and called on the Department to take action against the accreditor. HLC was required to submit several reports to the Department's advisory body on accreditation and ultimately adopted new standards, including on credit hour policies.

Credit Hour Definition (2010)

In 2010, the Department adopted a credit hour definition that permits flexibility for nontraditional education programs while ensuring some minimum standardization. It also adopted regulations requiring accreditors to set policies around credit hours and oversee institutions' application of the credit hour definition (see box below). The definition approximates the original time-based Carnegie unit (one hour of classroom instruction and two hours of student work outside the classroom), but instructs colleges to evaluate that approximation based on the "amount of work represented in intended learning outcomes" as measured by "evidence of student achievement." In other words, the Department acknowledges that the amount of work spent learning and the time spent attending class aren't the same thing, suggesting that traditional 15-week semesters can be translated into "the equivalent amount of work over a different amount of time." Work was the Department's middle ground between time, an easily measured but poor proxy for quality, and learning, a difficult-to-measure but true indicator of quality.

34 CFR 600.2 Credit Hour Definition

Credit hour: Except as provided in 34 CFR 668.8(k) and (l), a credit hour is an amount of work represented in intended learning outcomes and verified by evidence of student achievement that is an institutionally established equivalency that reasonably approximates not less than -

> (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; or
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> (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.

Moreover, it carefully considers the important role accreditors can play in defining innovative programs and ensuring they meet a baseline definition. The Department's definition, as it said in a letter to institutions following rulemaking, "does not emphasize the concept of 'seat time' (time in class) as the primary metric," nor does it prevent a barrier to institutions that seek to innovate responsibly. In fact, with its consideration both for time-based and learning-based measures, the definition has proved workable for the many institutions that have launched innovative competency-based education (CBE) programs in recent years.

In 2012, there were about 20 competency-based programs in the U.S.; today, with the credit hour rule in effect, there are more than 500. To the extent institutions believe they cannot engage in competency-based programs under the terms of the credit hour definition, accreditors are the ones responsible for coordinating with colleges to develop rigorous, evidence-based measures of work. (See box below.). The current credit hour rule represents a balance between innovation and oversight, a reflection of the lessons from a history of abuse, and an improved-upon version of prior regulatory efforts.

34 CFR 602.24(f) Credit Hour Policies Required of Institutional Accreditors

(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.

The Trump Administration's recent proposal on credit hour would eliminate the regulatory definition and replace it with a vague requirement that institutions set their own policies for credit hours. It would also eliminate the requirements that accrediting agencies set standards that are reviewable in recognition proceedings with the Department, for institutions' credit hour policies. That would leave effectively no mechanism for identifying misapplications of the credit hour or remedying those problems, and could reopen the door to abuses like those seen by the Inspector General in past reviews.