Chapter 3
Challenges and Opportunities in the Currency of Higher Education

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ABSTRACT
In 2013, the American Council on Education and Blackboard began joint research on competency-based education (CBE) to identify challenges and potential solutions for higher education CBE stakeholders. A key premise is that while credit-hour processes are likely to remain deeply embedded in post-secondary systems for some time, there is ample opportunity for innovation with competencies as a parallel and complementary currency. Credit hours provide a basis for current models of exchange in higher education, including credits for degree attainment, financial aid, and other critical functions. Competencies provide representations of learning outcomes that are more flexible and transparent and can be applied in multiple contexts within and outside educational institutions. This chapter provides scenarios that illustrate how competencies provide broad value in educational processes, not only as a means of documenting student achievement, but also to create meaningful connections between jobseekers and employment, for faculty and staff development, and for economic development.

INTRODUCTION
For over a century, the credit hour has been a unit of measure in United States postsecondary education, a recognized “currency” for educational achievement and completion of credentials. Processes built around credit hours are based on Industrial Age, highly structured, time-based educational models, presenting challenges in adapting these processes in a knowledge economy that relies on greater flexibility and the ability to apply learning in rapidly changing circumstances. Recent innovations in competency-based education address 21st-century needs by focusing on mastery of competencies regardless of “seat time,”

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providing opportunities to reconsider how educational systems can be structured around learning outcomes. Competency-based education programs revolve around the notion that achievement or mastery of a set of competencies, sometimes termed learning outcomes, represents the value provided by the particular educational program; and not the number of hours that a student has spent in a classroom or with a textbook in their hands.

This shift in focus can generate new currency based on the value of competencies among stakeholders in educational ecosystems. This chapter investigates the social, practical, and policy implications of competency-based education and how credits and competencies both reflect important structures of value for diverse stakeholders: government agencies, educational leaders and administrators, faculty, assessors, students, and employers. See below for explanations of different types of stakeholders.

The “Carnegie unit” was originally defined in the late 19th century as a way of standardizing students’ high school work to facilitate college admissions (Shedd, 2003). It was broadly adopted in United States postsecondary education as an eligibility requirement for the Carnegie Foundation for the Advancement of Teaching faculty pension system (Laitinen, 2012). Soon the Carnegie unit was adapted to define time-based “credit hour” units for determining faculty teaching load, as part of the standardization of educational processes and degrees in an industrial era. The credit hour was never intended to measure student learning, but over the years it accrued value as a proxy for student outcomes and as a well-understood, common unit of course and credential time-based processes.

As early as 1906, the Carnegie Foundation explicitly stated the distinction between time spent in a learning process and the learning results attained (Harris, 2002). Ernest Boyer, then president of the Foundation, reiterated this point in 1993 and went on to state that “for far too long education in this country has been based on seat time, not on learning… the time has come to bury once and for all the old Carnegie Unit” (Boyer, 1993). Nonetheless, so many educational processes rely on the fixed, standardized unit of the Carnegie credit hour that a massive retooling would be necessary to use different methods of measurement.

The entrenched nature of the credit hour does not mean that educational systems focused on competencies or learning outcomes are not possible and desirable. In fact, critics of the credit hour argue that alternative models for recognizing student learning are essential to address the shortcomings of the opaque and unreliable representations provided by grades and academic transcripts. Several other illustrations of these same issues include:

- Different university-level Biology 101 courses taught differently can have different learning outcomes, but the same credit value.
- The same course across higher education institutions can have both different syllabi and different credit values.
- 21st century employers complain about the lack of workforce skills that 120 credits of higher education can represent.
- External influences are exerting pressure on higher education to develop alternatives to traditional seat-time models and help students achieve lifelong learning and career goals.\(^1\)
- Approximately 85 percent of United States higher education students today are “post-traditional,” that is, they are not attending full time, living on campus, or being supported by their parents. The majority are over 25-years-old, need to work to afford education, attend multiple institutions, and are actively working toward job and career goals (Soares, 2013).