

BILL ANALYSIS

H.B. 3657
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Higher Education
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Reports indicate that competency-based education baccalaureate programs are a successful educational approach to helping adult learners and nontraditional students earn their degrees. However, it has been noted that many of these students are often ineligible for state-provided financial aid programs. H.B. 3657 seeks to assist and promote educational opportunities for more students by establishing a needs-based grant program specifically for students enrolled in competency-based education programs.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the Texas Higher Education Coordinating Board in SECTIONS 1 and 5 of this bill.

ANALYSIS

H.B. 3657 amends the Education Code to establish the Texas competency-based education grant program to provide financial assistance to enable eligible students to enroll in competency-based baccalaureate degree programs at eligible institutions, as those terms are defined by the bill. The bill requires the Texas Higher Education Coordinating Board to administer the program, to adopt rules for determining the allocation of funds under the program among eligible institutions using procedures under the Negotiated Rulemaking Act, to adopt any other rules necessary to implement the program or the bill's provisions, and to consult with the student financial aid officers of eligible institutions in developing the rules. The bill requires the coordinating board to adopt these rules as soon as practicable after the bill's effective date. The bill prohibits the total amount of grants awarded under the program from exceeding the amount available for the program from appropriations, gifts, grants, or other funds. The bill requires the coordinating board and the eligible institutions, in determining who should receive a grant, to give highest priority to students who demonstrate the greatest unmet financial need.

H.B. 3657 sets out the initial and continuing eligibility requirements for the program, including limitations on the duration of a person's eligibility following an initial grant and academic performance requirements for continued eligibility, and requires the coordinating board to adopt rules to allow a person who is otherwise program eligible but whose completion rate falls below the satisfactory academic progress requirements because of a hardship or for other good cause shown to receive a grant.

H.B. 3657 authorizes a person receiving a grant under the program to use the money to pay any usual and customary cost of attendance at an eligible institution incurred by the student. The bill

authorizes the institution to disburse all or part of the proceeds of a grant under the program to an eligible person only if the tuition and required fees incurred by the person at the institution have been paid. The bill sets the maximum annual grant amount for a full-time undergraduate student equivalent enrolled at an eligible institution at an amount equal to 75 percent of the average state appropriation for the state fiscal biennium preceding the biennium in which the grant is awarded for a full-time undergraduate student equivalent enrolled at a general academic teaching institution, as determined by the coordinating board. The bill authorizes the coordinating board to adopt rules that allow the coordinating board to increase or decrease, in proportion to the number of semester credit hours or competency units or credits in which a student is enrolled, the amount of a grant award to a student who is enrolled in a number of semester credit hours or competency units or credits in excess of or below 12 semester credit hours or an equivalent number of competency units or credits. The bill prohibits an eligible institution from denying admission to or enrollment in the institution based on a person's eligibility for or receipt of a grant under the program.

H.B. 3657 exempts a student enrolled in a competency-based baccalaureate degree program from a statutory limitation on the number of courses that may be dropped under certain circumstances. The exemption applies beginning with the fall 2019 semester. The bill requires the coordinating board to develop by rule standards for and limitations on dropping or repeating courses by students enrolled in such a program.

H.B. 3657 prohibits the coordinating board from excluding from being counted in the hours reported to the Legislative Budget Board for formula funding contact hours or semester credit hours for a student's enrollment in a course for which the student has previously generated formula funding if the student is enrolled in a competency-based baccalaureate degree program. The bill requires the coordinating board to include in its higher education funding formulas funding for semester credit hours earned by a student who is enrolled in a competency-based baccalaureate degree program. These provisions apply beginning with funding recommendations for the 2022-2023 state fiscal biennium.

H.B. 3657 requires the coordinating board to begin allocating funds to eligible institutions for the first academic year for which money is appropriated for that purpose but prohibits the coordinating board from allocating funds for an academic year before the 2020-2021 academic year.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2019.