

- SUBJECT:** Establishing competency-based education grants for college students
- COMMITTEE:** Higher Education — committee substitute recommended
- VOTE:** 10 ayes — Murphy, Pacheco, Cortez, Frullo, P. King, Muñoz, Ortega, Parker, Raney, J. Turner
- 0 nays
- 1 absent — C. Turner
- WITNESSES:** For — Darrin Rankin, WGU Texas; (*Registered, but did not testify:* Daniel Womack, Dow, Inc.; Chris Walters, Texas 2036; Mike Meroney, Texas Association of Manufacturers; Gilbert Zavala, The Greater Austin Chamber of Commerce)
- Against — None
- On — Ken Martin, Texas Higher Education Coordinating Board
- BACKGROUND:** As a growing number of adults return to higher education through competency-based education, which focuses on learning achieved rather than hours of class attendance, interested parties contend that existing state financial aid programs are not designed for non-traditional students attending competency-based higher education programs.
- DIGEST:** CSHB 3931 would create the Texas Competency-Based Education Grant Program for college students who are enrolled in a baccalaureate degree program under which academic credit is awarded based solely on a student's attainment of competencies. The bill would define such a degree program to include a program that is organized around traditional course-based units, including for online or other distance education, that a student must earn for degree completion.
- The Texas Higher Education Coordinating Board (THECB) would have to administer the program and adopt rules for determining the allocation of

funds among eligible institutions, which would include public and private institutions of higher education, a public junior college authorized to offer baccalaureate degree programs, or certain accredited, nonprofit online universities.

THECB would have to consult with student financial aid officers of eligible institutions in developing rules for the grant program. In determining who should receive a grant, the coordinating board and the eligible institutions would have to give highest priority to awarding grants to students who demonstrate unmet financial need. A grant could only be applied to tuition and fees.

**Eligibility.** To be eligible initially for a grant, a person would have to meet requirements for state residency and financial need and could not be receiving a TEXAS grant or any other state-funded student financial assistance for the same academic period. A grant could only be applied to payment of tuition and fees.

A person could continue to receive a grant during each semester only if the person made satisfactory academic progress toward a baccalaureate degree by completing at least 12 semester credit hours and complied with any additional nonacademic requirements adopted by THECB. The bill would specify conditions under which a person who failed to continue to receive a grant again could become eligible. A person who did not complete the required semester credit hours could continue to receive a grant in the event of a hardship or for other good cause, including having a severe illness or caring for a sick, injured, or needy person.

A person's eligibility for a grant would end on the earliest of the following dates:

- the fourth anniversary of the initial award of a grant, if at the time of the initial award the person had earned less than 60 semester credit hours or an equivalency of competency units;
- the second anniversary of the initial award, if at the time of the initial award the person had earned 60 or more semester credit

- hours or an equivalency of competency units; or
- the date the person received a baccalaureate degree.

**Grant amount.** A full-time undergraduate student could not receive a grant that exceeded the lesser of \$500 or the difference between the amount of tuition and fees charged and the amount of other state or federal grant or scholarship aid. The coordinating board could adopt rules to allow it to increase or decrease the amount of a grant award to a student who was enrolled in a number of semester credit hours in excess of or below 12 semester credit hours.

The bill would require THECB to begin allocating funds to eligible institutions beginning with the 2022-2023 academic year.

**Other provisions.** CSHB 3931 would amend Education Code provisions relating to formula funding and dropped and repeated course restrictions for students enrolled in a competency-based baccalaureate degree programs.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2021.

**NOTES:**

According to the Legislative Budget Board, the bill would have a negative impact of \$2.3 million to general revenue through fiscal 2023.