

SUBJECT:	Establishing the Texas Competency-Based Education Grant Program
COMMITTEE:	Higher Education — favorable, without amendment
VOTE:	9 ayes — Kuempel, Paul, Bucy, Burns, Clardy, Cole, M. González, Howard, Lalani  0 nays  2 absent — Burrows, Raney
WITNESSES:	For —Manny Gonzalez, Western Governors University; Juan Longoria ( <i>Registered, but did not testify</i> : Travis Krogman, Austin Chamber of Commerce; Renzo Soto, Texas 2036; Mike Meroney, Texas Association of Manufacturers; Ashley Ford, The Arc of Texas)  Against — ( <i>Registered, but did not testify</i> : Adam Cahn)
DIGEST:	<p>HB 4005 would establish the Texas Competency-Based Education Grant Program (TCBEGP) with the purpose of providing financial assistance to enable eligible students to enroll in competency-based baccalaureate programs. The bill would require that the Texas Higher Education Coordinating Board (THECB) to:</p> <ul style="list-style-type: none"><li>• administer the program;</li><li>• adopt rules for determining the allocation of the funds among eligible institutions in consultation with the institutions’ student financial aid officers; and</li><li>• adopt any other rules necessary to implement the program.</li></ul> <p>The total amount of grants awarded under the program could not exceed the amount available for the program from appropriations, gifts, grants, or other funds. In awarding grants, THECB and eligible institutions would be required to prioritize students who demonstrated the greatest unmet financial need.</p>

HB 4005 would establish initial eligibility requirements for students, including certain residential status, financial need, baccalaureate degree program enrollment, and grant recipient requirements. The bill also would add continuing eligibility requirements, including courseload minimums, satisfactory academic progress, and course completion rate. The bill would provide exceptions to the course completion standard for eligibility under events of hardship or for other good causes which could have affected the student's academic performance, including evidence of a severe illness or other debilitating condition or evidence that a person was responsible for the care of a sick, injured, or needy person.

HB 4005 would restrict the use of program grants to payment of tuition and required fees. The amount of grants could not exceed the lesser of either \$500 or the difference between the amount of tuition and required fees charged to the student and the amount of other financial aid, grants, or scholarships awarded to the student within the academic year. THECB would be authorized to increase or decrease the amount of a grant awarded to a student in proportion to the number of credit hours in which a student was enrolled in excess of or below 12 semester credit hours or an equivalent number of competency units.

HB 4005 would prohibit an institution from denying admission to a prospective student based on their eligibility for TCBE GP.

Starting in the fall 2023 semester, the bill would amend certain provisions of the education code regarding the amount of courses an undergraduate was allowed to drop, specifying that such provisions would not apply to a student enrolled in a competency-based baccalaureate degree program. THECB would be required to develop standards and limitations for the applicable students who dropped or repeated courses.

THECB could not exclude from being counted in the contact or semester credit hours reported to the Legislative Budget Board for formula funding for a student's enrollment in a course for which the student had previously generated formula funding if the student was enrolled in a competency-based baccalaureate degree program. THECB also would be required to

include funding for credit hours earned by such students for certain other basic funding formulas.

THECB would be required to implement the provisions in the bill as soon as practicable after the effective date. HB 4005 would direct THECB to begin allocating grant funds by the first academic year in which the money was appropriated, but not before academic year 2024-2025.

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, 2023.

**SUPPORTERS  
SAY:**

HB 4005 would allow students access to more flexible higher education opportunities without incurring large amounts of debt. Competency-based education (CBE) is a successful educational approach that measures learning achieved rather than time spent in classrooms. CBE is especially effective for adult learners with various work, family, and other life responsibilities that may limit their ability to attend in-person courses during normal hours. These non-traditional adult students typically are ineligible for existing state-funded financial aid programs. HB 4005 would establish a grant program to enable these adult learners to obtain a degree and fill high-need positions in the workforce.

**CRITICS  
SAY:**

By creating a new grant program, HB 4005 could cost taxpayers progressively more money over time.

**NOTES:**

According to the Legislative Budget Board, the bill would have an estimated negative impact of about \$2.7 million to general revenue related funds through fiscal 2025.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.