

BILL ANALYSIS

Senate Research Center

H.B. 3027
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Higher Education
5/18/2015
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Competency-based education (CBE) is a successful educational approach that measures learning rather than time. Students advance as they demonstrate mastery of the courses required by their degree plan. This approach is especially helpful for adult learners who may have developed competencies through work experience and prior college courses, allowing these students to move quickly through what they already know so they can focus on what they still need to learn.

WGU Texas and other quality institutions have developed full-time CBE programs. Currently, students enrolled in these programs are not able to access financial aid programs in Texas. Following the 83rd Legislature, the House Committee on Higher Education directed the Texas Higher Education Coordinating Board (THECB) to study and make recommendations about the feasibility of a financial aid program for WGU Texas students.

H.B. 3027 establishes a financial aid program for students participating in a full-time CBE baccalaureate program.

H.B. 3027 amends current law relating to the establishment of the Texas Competency-Based Education Grant Program for certain students enrolled in competency-based baccalaureate degree programs at certain institutions of higher education.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the Texas Higher Education Coordinating Board in SECTION 1 (Sections 56.603, 56.605, and 56.607, Education Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 56, Education Code, by adding Subchapter U, as follows:

SUBCHAPTER U. TEXAS COMPETENCY-BASED EDUCATION GRANT PROGRAM

Sec. 56.601. DEFINITIONS. Defines "competency-based baccalaureate degree program," "coordinating board," "eligible institution," "expected family contribution," "general academic teaching institution," and "program."

Sec. 56.602. PURPOSE. Provides that the purpose of the Texas Competency-Based Education Grant Program is to provide financial assistance to enable eligible students to enroll in competency-based baccalaureate degree programs at eligible institutions.

Sec. 56.603. ADMINISTRATION OF PROGRAM; PRIORITY FOR FINANCIAL NEED. (a) Requires the Texas Higher Education Coordinating Board (THECB) to:

- (1) administer the program;
- (2) using the negotiated rulemaking procedures under Chapter 2008 (Negotiated Rulemaking), Government Code, adopt rules for determining the allocation of funds under the program among eligible institutions; and

(3) adopt any other rules necessary to implement the program or this subchapter.

(b) Requires THECB to consult with the student financial aid officers of eligible institutions in developing the rules adopted under Subsection (a).

(c) Prohibits the total amount of grants awarded under this program from exceeding the amount available for the program from appropriations, gifts, grants, or other funds.

(d) Requires THECB and the eligible institutions to give highest priority to awarding grants to students who demonstrate the greatest unmet financial need in determining who should receive a grant under the program.

Sec. 56.6031. PARTICIPATION IN PROGRAM BY PUBLIC INSTITUTIONS AND THEIR STUDENTS. (a) Provides that, for a competency-based baccalaureate degree program offered by an eligible institution that is an institution of higher education for which grants may be awarded under this subchapter, THECB:

(1) must include in the hours reported to the Legislative Budget Board for formula funding contact hours for a student's enrollment in the degree program at the institution:

(A) contact hours for which the student has previously generated formula funding for the same course; and

(B) notwithstanding Section 61.0595 (Funding for Certain Excess Undergraduate Credit Hours), contact hours that would otherwise be excluded under Subsection (a) or (e) of that section; and

(2) by rule shall adopt standards and limitations for the dropping or repeating of courses by students of those institutions enrolled in the degree program.

(b) Authorizes a student who is enrolled in an eligible institution that is an institution of higher education to receive a grant under the program only if:

(1) the student satisfies the eligibility requirements prescribed by this subchapter; and

(2) the institution complies with the standards and limitations adopted by THECB under Subsection (a)(2).

Sec. 56.604. INITIAL ELIGIBILITY FOR GRANT. (a) Requires a person, to be eligible initially for a grant under the program, to:

(1) be a resident of this state as determined by THECB rules;

(2) meet financial need requirements as defined by THECB rules, including a requirement that the person's expected family contribution for the academic year does not exceed the maximum expected family contribution established for this purpose by THECB;

(3) be enrolled in a competency-based baccalaureate degree program at an eligible institution;

(4) not be receiving a TEXAS grant under Subchapter M, a tuition equalization grant under Subchapter F (Tuition Equalization Grants),

Chapter 61, or any other state-funded student financial assistance for the same academic period; and

(5) comply with any additional nonacademic requirement adopted by THECB under this subchapter.

(b) Provides that a person is not eligible to receive a grant under the program if the person has been granted a baccalaureate degree.

(c) Provides that a person's eligibility for a grant under the program ends on the earliest of the following dates:

(1) the fourth anniversary of the initial award of a grant under the program to the person, if at the time of the initial award the person had earned less than 60 semester credit hours or an equivalent number of competency units or credits toward the person's degree;

(2) the second anniversary of the initial award of a grant under the program to the person, if at the time of the initial award the person had earned 60 or more semester credit hours or an equivalent number of competency units or credits toward the person's degree; or

(3) the date the person receives a baccalaureate degree.

Sec. 56.605. CONTINUING ELIGIBILITY AND ACADEMIC PERFORMANCE REQUIREMENTS. (a) Authorizes a person, after initially qualifying for a grant under the program, to receive a grant under the program during each semester or term in which the person is enrolled at an eligible institution only if the person:

(1) meets the criteria for initial eligibility under Section 56.604(a);

(2) makes satisfactory academic progress toward a baccalaureate degree; and

(3) complies with any additional nonacademic requirement adopted by THECB.

(b) Prohibits a person from receiving a grant under the program during the next semester or term in which the person enrolls if a person fails to meet any of the requirements of Subsection (a) after the completion of any semester or term. Authorizes a person, unless the person's eligibility for a grant expires under Section 56.604(c), to become eligible to receive a grant under the program in a subsequent semester or term if the person:

(1) completes at least 12 semester credit hours or an equivalent number of competency units or credits in a semester or term during which the student is not eligible for a grant; and

(2) meets all the requirements of Subsection (a).

(c) Provides that for the purpose of this section, a person makes satisfactory academic progress toward a baccalaureate degree only if the person completes at least 12 semester credit hours or an equivalent number of competency units or credits in each semester or term in which the person is enrolled.

(d) Requires THECB to adopt rules to allow a person who is otherwise eligible to receive a grant under the program to receive a grant if the student's completion rate falls below the satisfactory academic progress requirements of this section in the event of a hardship or for other good cause shown, including:

(1) a showing of a severe illness or other debilitating condition that may affect the person's academic performance; or

(2) a showing that the person is responsible for the care of a sick, injured, or needy person and that the person's provision of care may affect the person's academic performance.

Sec. 56.606. GRANT USE. 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. 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.

Sec. 56.607. GRANT AMOUNT. (a) Provides that the maximum annual amount of a grant under the program for a full-time undergraduate student equivalent enrolled at an eligible institution is 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 THECB.

(b) Authorizes THECB to adopt rules that allow THECB 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.

Sec. 56.608. GRANT NOT TO AFFECT ADMISSION. Prohibits an institution from denying admission to or enrollment in the institution based on a person's eligibility to receive a grant under the program or a person's receipt of a grant under the program.

SECTION 2. (a) Requires THECB to adopt rules to administer Subchapter U, Chapter 56, Education Code, as added by this Act, as soon as practicable after the effective date of this Act. Authorizes THECB to adopt the initial rules in the manner provided by law for emergency rules.

(b) Requires THECB to begin allocating funds to eligible institutions under Subchapter U, Chapter 56, Education Code, as added by this Act, for the first academic year for which money is appropriated for that purpose, except that THECB is prohibited from allocating funds under that subchapter for an academic year before the 2016-2017 academic year.

SECTION 3. Effective date: upon passage or September 1, 2015.