

By: Zerwas

H.B. No. 3027

A BILL TO BE ENTITLED

AN ACT

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.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Chapter 56, Education Code, is amended by adding Subchapter U to read as follows:

SUBCHAPTER U. TEXAS COMPETENCY-BASED EDUCATION GRANT PROGRAM

Sec. 56.601. DEFINITIONS. In this subchapter:

(1) "Competency-based baccalaureate degree program" means a baccalaureate degree program under which academic credit is awarded based solely on a student's attainment of competencies. The term may 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.

(2) "Coordinating board" means the Texas Higher Education Coordinating Board.

(3) "Eligible institution" means:
(A) a general academic teaching institution;
(B) a private or independent institution of higher education;
(C) a public junior college authorized to offer baccalaureate degree programs under Section [130.0012](#); or

1 (D) a nonprofit, tax-exempt, regionally
2 accredited college or university operating in accordance with a
3 memorandum of understanding with this state under an executive
4 order issued by the governor and offering competency-based,
5 exclusively online baccalaureate degree programs.

6 (4) "Expected family contribution" means the amount of
7 discretionary income that should be available to a student from the
8 resources of the student and of the student's family, as determined
9 by the coordinating board following the methodology prescribed by
10 the United States Department of Education for the purpose of
11 determining a student's eligibility for need-based student
12 financial assistance.

13 (5) "General academic teaching institution," "private
14 or independent institution of higher education," and "public junior
15 college" have the meanings assigned by Section 61.003.

16 (6) "Program" means the Texas Competency-Based
17 Education Grant Program established under this subchapter.

18 Sec. 56.602. PURPOSE. The purpose of the Texas
19 Competency-Based Education Grant Program is to provide financial
20 assistance to enable eligible students to enroll in
21 competency-based baccalaureate degree programs at eligible
22 institutions.

23 Sec. 56.603. ADMINISTRATION OF PROGRAM; PRIORITY FOR
24 FINANCIAL NEED. (a) The coordinating board shall:

- 25 (1) administer the program;
26 (2) using the negotiated rulemaking procedures under
27 Chapter 2008, Government Code, adopt rules for determining the

1 allocation of funds under the program among eligible institutions;
2 and

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

5 (b) The coordinating board shall consult with the student
6 financial aid officers of eligible institutions in developing the
7 rules adopted under Subsection (a).

8 (c) The total amount of grants awarded under the program may
9 not exceed the amount available for the program from
10 appropriations, gifts, grants, or other funds.

11 (d) In determining who should receive a grant under the
12 program, the coordinating board and the eligible institutions shall
13 give highest priority to awarding grants to students who
14 demonstrate the greatest unmet financial need.

15 Sec. 56.6031. PARTICIPATION IN PROGRAM BY PUBLIC
16 INSTITUTIONS AND THEIR STUDENTS. (a) For a competency-based
17 baccalaureate degree program offered by an eligible institution
18 that is an institution of higher education for which grants may be
19 awarded under this subchapter, the coordinating board:

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

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

25 (B) notwithstanding Section 61.0595, contact
26 hours that would otherwise be excluded under Subsection (a) or (e)
27 of that section; and

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

4 (b) A student who is enrolled in an eligible institution
5 that is an institution of higher education may receive a grant under
6 the program only if:

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

9 (2) the institution complies with the standards and
10 limitations adopted by the coordinating board under Subsection
11 (a)(2).

12 Sec. 56.604. INITIAL ELIGIBILITY FOR GRANT. (a) To be
13 eligible initially for a grant under the program, a person must:

14 (1) be a resident of this state as determined by
15 coordinating board rules;

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

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

23 (4) not be receiving a TEXAS grant under Subchapter M,
24 a tuition equalization grant under Subchapter F, Chapter 61, or any
25 other state-funded student financial assistance for the same
26 academic period; and

27 (5) comply with any additional nonacademic

1 requirement adopted by the coordinating board under this
2 subchapter.

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

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

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

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

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

19 Sec. 56.605. CONTINUING ELIGIBILITY AND ACADEMIC
20 PERFORMANCE REQUIREMENTS. (a) After initially qualifying for a
21 grant under the program, a person may continue to receive a grant
22 under the program during each semester or term in which the person
23 is enrolled at an eligible institution only if the person:

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

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

1 (3) complies with any additional nonacademic
2 requirement adopted by the coordinating board.

3 (b) If a person fails to meet any of the requirements of
4 Subsection (a) after the completion of any semester or term, the
5 person may not receive a grant under the program during the next
6 semester or term in which the person enrolls. Unless the person's
7 eligibility for a grant expires under Section 56.604(c), a person
8 may become eligible to receive a grant under the program in a
9 subsequent semester or term if the person:

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

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

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

19 (d) The coordinating board shall adopt rules to allow a
20 person who is otherwise eligible to receive a grant under the
21 program to receive a grant if the student's completion rate falls
22 below the satisfactory academic progress requirements of this
23 section in the event of a hardship or for other good cause shown,
24 including:

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

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

4 Sec. 56.606. GRANT USE. A person receiving a grant under
5 the program may use the money to pay any usual and customary cost of
6 attendance at an eligible institution incurred by the student. The
7 institution may disburse all or part of the proceeds of a grant
8 under the program to an eligible person only if the tuition and
9 required fees incurred by the person at the institution have been
10 paid.

11 Sec. 56.607. GRANT AMOUNT. (a) The maximum annual amount
12 of a grant under the program for a full-time undergraduate student
13 equivalent enrolled at an eligible institution is an amount equal
14 to 75 percent of the average state appropriation for the state
15 fiscal biennium preceding the biennium in which the grant is
16 awarded for a full-time undergraduate student equivalent enrolled
17 at a general academic teaching institution, as determined by the
18 coordinating board.

19 (b) The coordinating board may adopt rules that allow the
20 coordinating board to increase or decrease, in proportion to the
21 number of semester credit hours or competency units or credits in
22 which a student is enrolled, the amount of a grant award to a
23 student who is enrolled in a number of semester credit hours or
24 competency units or credits in excess of or below 12 semester credit
25 hours or an equivalent number of competency units or credits.

26 Sec. 56.608. GRANT NOT TO AFFECT ADMISSION. An eligible
27 institution may not deny admission to or enrollment in the

1 institution based on a person's eligibility to receive a grant
2 under the program or a person's receipt of a grant under the
3 program.

4 SECTION 2. (a) The Texas Higher Education Coordinating
5 Board shall adopt rules to administer Subchapter U, Chapter 56,
6 Education Code, as added by this Act, as soon as practicable after
7 the effective date of this Act. For that purpose, the coordinating
8 board may adopt the initial rules in the manner provided by law for
9 emergency rules.

10 (b) The Texas Higher Education Coordinating Board shall
11 begin allocating funds to eligible institutions under Subchapter U,
12 Chapter 56, Education Code, as added by this Act, for the first
13 academic year for which money is appropriated for that purpose,
14 except that the coordinating board may not allocate funds under
15 that subchapter for an academic year before the 2016-2017 academic
16 year.

17 SECTION 3. This Act takes effect immediately if it receives
18 a vote of two-thirds of all the members elected to each house, as
19 provided by Section 39, Article III, Texas Constitution. If this
20 Act does not receive the vote necessary for immediate effect, this
21 Act takes effect September 1, 2015.