

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 online or other distance education baccalaureate degree programs at certain private 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) "Coordinating board" means the Texas Higher Education Coordinating Board.

(2) "Eligible institution" means a nonprofit, tax-exempt, regionally accredited college or university located in this state that offers competency-based online or other distance education.

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

1 (4) "General academic teaching institution" has the
2 meaning assigned by Section 61.003.

3 (5) "Program" means the Texas Competency-Based
4 Education Grant Program established under this subchapter.

5 Sec. 56.602. PURPOSE. The purpose of the Texas
6 Competency-Based Education Grant Program is to provide financial
7 assistance to enable eligible students to enroll in
8 competency-based online or other distance education baccalaureate
9 degree programs at eligible institutions.

10 Sec. 56.603. ADMINISTRATION OF PROGRAM; PRIORITY FOR
11 FINANCIAL NEED. (a) The coordinating board shall administer the
12 program and adopt any rules necessary to implement the program or
13 this subchapter. The coordinating board shall consult with the
14 student financial aid officers of eligible institutions in
15 developing the rules.

16 (b) The total amount of grants awarded under the program may
17 not exceed the amount available for the program from
18 appropriations, gifts, grants, or other funds.

19 (c) In determining who should receive a grant under the
20 program, the coordinating board and the eligible institutions shall
21 give highest priority to awarding grants to students who
22 demonstrate the greatest financial need.

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

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

27 (2) meet financial need requirements as defined by

1 coordinating board rules, including a requirement that the person's
2 expected family contribution for the academic year does not exceed
3 the maximum expected family contribution established for this
4 purpose by the coordinating board;

5 (3) be enrolled in a competency-based online or other
6 distance education baccalaureate degree program at an eligible
7 institution;

8 (4) not be receiving a grant or other gift aid under
9 any other state financial aid grant program for the same academic
10 period; and

11 (5) comply with any additional nonacademic
12 requirement adopted by the coordinating board under this
13 subchapter.

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

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

18 (1) the fourth anniversary of the initial award of a
19 grant under the program to the person and the person's enrollment in
20 an eligible institution, if at the time of the initial award the
21 person had earned less than 60 semester credit hours or an
22 equivalent number of competency units or credits toward the
23 person's degree;

24 (2) the second anniversary of the initial award of a
25 grant under the program to the person and the person's enrollment in
26 an eligible institution, if at the time of the initial award the
27 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) After initially qualifying for a
grant under the program, a person may continue 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 the coordinating board.

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

(1) completes at least 15 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) For the purpose of this section, a person makes

1 satisfactory academic progress toward a baccalaureate degree only
2 if the person completes at least 15 semester credit hours or an
3 equivalent number of competency units or credits in each semester
4 or term in which the person is enrolled.

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

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

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

17 Sec. 56.606. GRANT USE. A person receiving a grant under
18 the program may use the money to pay any usual and customary cost of
19 attendance at an eligible institution incurred by the student. The
20 institution may disburse all or part of the proceeds of a grant
21 under the program to an eligible person only if the tuition and
22 required fees incurred by the person at the institution have been
23 paid.

24 Sec. 56.607. GRANT AMOUNT. (a) The maximum annual amount
25 of a grant under the program for a full-time undergraduate student
26 equivalent enrolled at an eligible institution is an amount equal
27 to 75 percent of the average state appropriation for the state

1 fiscal biennium preceding the biennium in which the grant is
2 awarded for a full-time undergraduate student equivalent enrolled
3 at a general academic teaching institution, as determined by the
4 coordinating board.

5 (b) The coordinating board may adopt rules that allow the
6 coordinating board to increase or decrease, in proportion to the
7 number of semester credit hours or competency units or credits in
8 which a student is enrolled, the amount of a grant award to a
9 student who is enrolled in a number of semester credit hours or
10 competency units or credits in excess of or below 15 semester credit
11 hours or an equivalent number of competency units or credits.

12 Sec. 56.608. GRANT NOT TO AFFECT ADMISSION. An eligible
13 institution may not deny admission to or enrollment in the
14 institution based on a person's eligibility to receive a grant
15 under the program or a person's receipt of a grant under the
16 program.

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

23 (b) The Texas Higher Education Coordinating Board shall
24 begin awarding scholarships under Subchapter U, Chapter 56,
25 Education Code, as added by this Act, for the first academic year
26 for which money is appropriated for that purpose, except that the
27 coordinating board may not award grants under that subchapter for

1 an academic year before the 2016-2017 academic year.

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