

By: Turner of Tarrant

H.B. No. 3657

A BILL TO BE ENTITLED

1 AN ACT
2 relating to the establishment of the Texas Competency-Based
3 Education Grant Program for certain students enrolled in
4 competency-based baccalaureate degree programs and to formula
5 funding and dropped and repeated course restrictions for students
6 enrolled in those degree programs at public institutions of higher
7 education.

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

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

11 SUBCHAPTER U. TEXAS COMPETENCY-BASED EDUCATION GRANT PROGRAM

12 Sec. 56.601. DEFINITIONS. In this subchapter:

13 (1) "Competency-based baccalaureate degree program"
14 means a baccalaureate degree program under which academic credit is
15 awarded based solely on a student's attainment of competencies.
16 The term may include a program that is organized around traditional
17 course-based units, including for online or other distance
18 education, that a student must earn for degree completion.

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

21 (3) "Eligible institution" means:

22 (A) a general academic teaching institution;

23 (B) a private or independent institution of
24 higher education;

1 (C) a public junior college authorized to offer
2 baccalaureate degree programs under Subchapter L, Chapter 130; or

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

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

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

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

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

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

27 (1) administer the program;

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

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

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

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

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

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

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

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

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

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

5 (5) comply with any additional nonacademic
6 requirement adopted by the coordinating board under this
7 subchapter.

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

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

12 (1) the fourth 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 less than 60 semester credit hours or an
15 equivalent number of competency units or credits toward the
16 person's degree;

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

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

24 Sec. 56.605. CONTINUING ELIGIBILITY AND ACADEMIC
25 PERFORMANCE REQUIREMENTS. (a) After initially qualifying for a
26 grant under the program, a person may continue to receive a grant
27 under the program during each semester or term in which the person

1 is enrolled at an eligible institution only if the person:

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

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

6 (3) complies with any additional nonacademic
7 requirement adopted by the coordinating board.

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

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

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

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

24 (d) The coordinating board shall adopt rules to allow a
25 person who is otherwise eligible to receive a grant under the
26 program to receive a grant if the student's completion rate falls
27 below the satisfactory academic progress requirements of this

1 section in the event of a hardship or for other good cause shown,
2 including:

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

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

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

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

24 (b) The coordinating board may adopt rules that allow the
25 coordinating board to increase or decrease, in proportion to the
26 number of semester credit hours or competency units or credits in
27 which a student is enrolled, the amount of a grant award to a

1 student who is enrolled in a number of semester credit hours or
2 competency units or credits in excess of or below 12 semester credit
3 hours or an equivalent number of competency units or credits.

4 Sec. 56.608. GRANT NOT TO AFFECT ADMISSION. An eligible
5 institution may not deny admission to or enrollment in the
6 institution based on a person's eligibility to receive a grant
7 under the program or a person's receipt of a grant under the
8 program.

9 SECTION 2. Section 51.907, Education Code, is amended by
10 adding Subsection (b-1) to read as follows:

11 (b-1) This section does not apply to a student enrolled in a
12 competency-based baccalaureate degree program, as defined by
13 Section 56.601.

14 SECTION 3. Section 61.059, Education Code, is amended by
15 adding Subsection (s) to read as follows:

16 (s) Notwithstanding any other law, the board may not exclude
17 from being counted in the hours reported to the Legislative Budget
18 Board for formula funding contact hours or semester credit hours
19 for a student's enrollment in a course for which the student has
20 previously generated formula funding if the student is enrolled in
21 a competency-based baccalaureate degree program, as defined by
22 Section 56.601.

23 SECTION 4. Section 61.0595, Education Code, is amended by
24 adding Subsection (f-1) to read as follows:

25 (f-1) In the formulas established under Section 61.059, the
26 board shall include without consideration of Subsection (a) or (e)
27 funding for semester credit hours earned by a student who is

1 enrolled in a competency-based baccalaureate degree program, as
2 defined by Section 56.601.

3 SECTION 5. Subchapter C, Chapter 61, Education Code, is
4 amended by adding Section 61.088 to read as follows:

5 Sec. 61.088. DROPPED OR REPEATED COURSES UNDER
6 COMPETENCY-BASED BACCALAUREATE DEGREE PROGRAM. The board by rule
7 shall develop standards for and limitations on dropping or
8 repeating courses by students enrolled in a competency-based
9 baccalaureate degree program, as defined by Section 56.601.

10 SECTION 6. Section 51.907(b-1), Education Code, as added by
11 this Act, applies beginning with the fall 2019 semester.

12 SECTION 7. (a) The Texas Higher Education Coordinating
13 Board shall adopt rules to administer Subchapter U, Chapter 56,
14 Education Code, as added by this Act, as soon as practicable after
15 the effective date of this Act.

16 (b) The Texas Higher Education Coordinating Board shall
17 begin allocating funds to eligible institutions under Subchapter U,
18 Chapter 56, Education Code, as added by this Act, for the first
19 academic year for which money is appropriated for that purpose,
20 except that the coordinating board may not allocate funds under
21 that subchapter for an academic year before the 2020-2021 academic
22 year.

23 SECTION 8. The changes in law made by this Act to Sections
24 61.059 and 61.0595, Education Code, apply beginning with funding
25 recommendations made under Section 61.059, Education Code, for the
26 state fiscal biennium beginning September 1, 2021.

27 SECTION 9. The Texas Higher Education Coordinating Board

1 shall adopt rules under Section 61.088, Education Code, as added by
2 this Act, as soon as practicable after this Act takes effect.

3 SECTION 10. This Act takes effect immediately if it
4 receives a vote of two-thirds of all the members elected to each
5 house, as provided by Section 39, Article III, Texas Constitution.
6 If this Act does not receive the vote necessary for immediate
7 effect, this Act takes effect September 1, 2019.