

BILL ANALYSIS

C.S.H.B. 3931
By: Raney
Higher Education
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Roughly one-third of adults in Texas have attained an associate degree or higher. Fortunately, a growing number of adults are returning to higher education through competency-based baccalaureate degree programs. These programs provide a more flexible educational approach focused on learning achieved rather than hours of attendance and are a promising solution to address workforce gaps, allow for flexibility in education, and help reskill workers. However, nontraditional students are typically ineligible for existing state-provided financial aid programs. C.S.H.B. 3931 seeks to address this issue by establishing a grant program for certain students enrolled in competency-based baccalaureate degree programs.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the Texas Higher Education Coordinating Board in SECTIONS 1 and 5 of this bill.

ANALYSIS

C.S.H.B. 3931 amends the Education Code to establish the Texas competency-based education grant program to provide financial assistance to enable eligible students to enroll in competency-based baccalaureate degree programs at eligible institutions, as those terms are defined by the bill. The bill requires the Texas Higher Education Coordinating Board (THECB) to do the following:

- administer the program;
- adopt rules for determining the allocation of funds under the program among eligible institutions using procedures under the Negotiated Rulemaking Act;
- adopt any other rules necessary to implement the program or the bill's provisions; and
- consult with the student financial aid officers of eligible institutions in developing the rules.

The bill requires the THECB to adopt these rules as soon as practicable after the bill's effective date and prohibits the total amount of grants awarded under the program from exceeding the amount available for the program from appropriations, gifts, grants, or other funds. The bill requires the THECB and the eligible institutions, in determining who should receive a grant, to give highest priority to students who demonstrate the greatest unmet financial need.

C.S.H.B. 3931 sets out the initial and continuing eligibility requirements for the program, including limitations on the duration of a person's eligibility following an initial grant and academic performance requirements for continued eligibility, and requires the THECB to adopt rules to allow a person who is otherwise program eligible but whose completion rate falls below

the satisfactory academic progress requirements because of a hardship or for other good cause shown to receive a grant.

C.S.H.B. 3931 restricts use of a grant awarded under the program to the payment of tuition and required fees at an eligible institution. The bill caps the amount of a grant awarded to a full-time undergraduate student equivalent enrolled at an eligible institution for an academic year at the lesser of \$500 or the difference between the amount of tuition and required fees charged to the student by the institution for that academic year and the amount of any other gift aid, including state or federal grants or scholarships, awarded to the student for that academic year. The bill authorizes the THECB to adopt rules that allow the 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. The bill prohibits an eligible institution from denying admission to or enrollment in the institution based on a person's eligibility for or receipt of a grant under the program.

C.S.H.B. 3931 exempts a student enrolled in a competency-based baccalaureate degree program from a statutory limitation on the number of courses that may be dropped under certain circumstances. The exemption applies beginning with the fall 2021 semester. The bill requires the THECB to develop by rule standards for and limitations on dropping or repeating courses by students enrolled in such a program.

C.S.H.B. 3931 prohibits the THECB from excluding from being counted in the hours reported to the Legislative Budget Board for formula funding contact hours or semester credit hours for a student's enrollment in a course for which the student has previously generated formula funding if the student is enrolled in a competency-based baccalaureate degree program. The bill requires the THECB to include in its higher education funding formulas funding for semester credit hours earned by a student who is enrolled in a competency-based baccalaureate degree program. These provisions apply beginning with funding recommendations for the 2023-2024 state fiscal biennium.

C.S.H.B. 3931 requires the THECB to begin allocating funds to eligible institutions for the first academic year for which money is appropriated for that purpose but prohibits the THECB from allocating funds for an academic year before the 2022-2023 academic year.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2021.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 3931 may differ from the original in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

The original authorized a person receiving a grant to use the money to pay any usual and customary cost of attendance at an eligible institution incurred by the student, whereas the substitute restricts the use of a grant to the payment of tuition and required fees at an eligible institution. The substitute does not include the original's authorization for an 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.

The substitute revises the manner in which the maximum amount of a grant awarded under the program is calculated.