

BILL ANALYSIS

Senate Research Center
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S.B. 1770
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Higher Education
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Today the majority of students seeking a postsecondary education are non-traditional students; either over 25, and/or working full time, and/or with families of their own. Getting these students to complete their degree is both beneficial to our economy and challenging. Significant barriers exist for universities and their prospective non-traditional students. Under current law, formula funding is denied for students who:

- have taken more than 30 hours past their degree requirements, counting courses taken at Texas public universities and community colleges; and/or
- have dropped more than six courses during their time in Texas public universities and/or community colleges; and/or
- have repeated a course three times.

Denial of formula funding for this subset of non-traditional students results in:

- Higher costs to return to school and complete a degree
- Limited career advancements
- Unemployment

Creating an accelerated Affordable Baccalaureate Program will allow universities to establish a more flexible degree plan for non-traditional students. Local businesses will target workforce needs and provide students with marketable skillsets to be competitive in the job market.

As proposed, S.B. 1770 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 and to formula funding and dropped and repeated course restrictions for students enrolled in those degree programs at public 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) and in SECTION 5 (Section 61.088, 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 "coordinating board" as the Texas Higher Education Coordinating Board (THECB), defines "program" as the Texas Competency-Based Education Grant Program, and defines "eligible institution," "expected family contribution," "general academic teaching institution," "private or independent institution of higher education," and "public junior college."

Sec. 56.602. PURPOSE. Provides that the purpose of the 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 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 the program from exceeding the amount available for the program from appropriations, gifts, grants, or other funds.

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

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 (Toward Excellence, Access, & Success (TEXAS) Grant Program), a tuition equalization grant under Subchapter F (Tuition Equalization Grant), 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 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 meets the criteria for initial eligibility under Section 56.604(a), makes satisfactory academic progress toward a baccalaureate degree, and complies with any additional nonacademic requirement adopted by THECB.

(b) Prohibits a person receiving a grant under the program, if the person fails to meet any of the requirements of Subsection (a) after the completion of any semester or term, from receiving a grant under the program during the next semester or term in which the person enrolls. Authorizes the 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 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 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 a showing of a severe illness or other debilitating condition that may affect the person's academic performance or 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 eligible 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. Amends Section 51.907, Education Code, by adding Subsection (b-1), as follows:

(b-1) Provides that this section (Limitations on Number of Courses that May be Dropped Under Certain Circumstances) does not apply to a student enrolled in a competency-based baccalaureate degree program, as defined by Section 56.601.

SECTION 3. Amends Section 61.059, Education Code, by adding Subsection (s), as follows:

(s) Prohibits THECB, notwithstanding any other law, 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, as defined by Section 56.601.

SECTION 4. Amends Section 61.0595, Education Code, by adding Subsection (f-1), as follows:

(f-1) Requires THECB, in the formulas established under Section 61.059, to include without consideration of Subsection (a) or (e) funding for semester credit hours earned by a student who is enrolled in a competency-based baccalaureate degree program, as defined by Section 56.601.

SECTION 5. Amends Subchapter C, Chapter 61, Education Code, by adding Section 61.088, as follows:

Sec. 61.088. DROPPED OR REPEATED COURSES UNDER COMPETENCY-BASED BACCALAUREATE DEGREE PROGRAM. Requires THECB by rule to develop standards for and limitations on dropping or repeating courses by students enrolled in a competency-based baccalaureate degree program, as defined by Section 56.601.

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

SECTION 7. (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.

(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 2020–2021 academic year.

SECTION 8. Provides that Sections 61.059 and 61.0595, Education Code, apply beginning with funding recommendations made under Section 61.059, Education Code, for the state fiscal biennium beginning September 1, 2021.

SECTION 9. Requires THECB to adopt rules under Section 61.088, Education Code, as added by this Act, as soon as practicable after this Act takes effect.

SECTION 10. Effective date: upon passage or September 1, 2019.