

BILL ANALYSIS

C.S.H.B. 1935

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Technology, Economic Development & Workforce
Committee Report (Substituted)

BACKGROUND AND PURPOSE

The Texas State Comptroller's report, *Texas Works 2008: Training and Education for All Texans*, states that Texas faces growing shortages of the skilled workers that help attract and retain business. According to the U.S. Department of Education, 90 percent of the fastest-growing jobs in the new information and service economy will require some postsecondary education.

The average educational attainment of Texans is dropping. According to former state demographer Steve Murdock, the percentage of Texans with at least some postsecondary education will drop from 52.2 percent in 2000 to as low as 41.2 percent in 2040. The percentage of Texans with no high school diploma will increase from 18.8 percent to as much as 30.1 percent during that same period.

C.S.H.B. 1935 establishes the Texas Adult Career Education Grant Program to counter these trends by supporting strategies that help unemployed and underemployed workers complete a certificate or degree program at a public junior college in just one or two years, with an emphasis on strategies that have a proven track record of success. The program would provide grants to nonprofit organizations to support these strategies in preparing workers for private and public sector jobs that are identified by local businesses as being in high demand and that provide a living wage, health benefits, and opportunities for career advancement.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the comptroller of public accounts in SECTIONS 1 and 2 of this bill.

ANALYSIS

C.S.H.B. 1935 amends the Government Code to require the comptroller of public accounts to establish and administer the Texas Adult Career Education Grant Program to provide grants to nonprofit organizations to enable them, in partnership with public junior colleges, to administer community-based initiatives that are designed to provide unemployed and underemployed adults with the postsecondary education needed to obtain living-wage careers in high-demand occupations in the local community and that use proven methodologies to develop the skill sets of such adults. The bill defines "nonprofit organization."

C.S.H.B. 1935 establishes that to be eligible for a grant, a nonprofit organization must be governed by a board or other governing structure that includes recognized leaders of broad-based community organizations and members of the local business community and must demonstrate that its programs have achieved certain measures of success, including:

- above average completion of developmental education among public junior college students;
- above average persistence rates among public junior college students;

- above average certificate or degree completion rates within a three-year period among first-time demographically comparable public junior college students;
- increased reading and mathematics performance;
- employment at an average full-time starting wage that is at least 50 percent of the local median household income and equal to or greater than the prevailing wage for the occupation entered; and
- increased tax receipts and decreased reliance on public assistance as a result of employment opportunities created through program participation sufficient to offset the amount of public money used to finance the organization's programs.

C.S.H.B. 1935 authorizes a grant to be used only to support programs that prepare unemployed or underemployed adults for certain high demand, living-wage jobs with health benefits and opportunities for advancement; assist these adults in earning transferrable degree credits at public junior colleges; provide these adults with an educational path to the completion of a certificate or degree program at a public junior college that is based on individual academic need at the time of enrollment, including adult education, high school equivalency certificate preparation, literacy and English as a second language classes, developmental education, and transferrable degree credit course work. The bill permits a grant to be used only to support programs that provide these adults with child care, counseling, case management, mentoring, transportation, emergency assistance, financial assistance toward the cost of tuition, fees, and books, and other assistance. The bill authorizes a grant also to be used as state matching funds to match local public or private funding to support such programs.

C.S.H.B. 1935 prohibits a nonprofit organization from spending more than \$3,000 from grant money received in a calendar year on a single individual receiving assistance under any of the above programs.

C.S.H.B. 1935 requires the comptroller to adopt rules for the administration of the Texas Adult Career Education Grant Program as soon as practicable after the effective date of this bill.

EFFECTIVE DATE

On passage, or, if the act does not receive the necessary vote, the act takes effect September 1, 2009.

COMPARISON OF ORIGINAL AND SUBSTITUTE

C.S.H.B. 1935 differs from the original by amending the Government Code instead of the Education Code, and puts the Texas Adult Career Education Grant Program under the direction of the comptroller of public accounts instead of under the Texas Higher Education Coordinating Board. The substitute adds a requirement not in the original prohibiting a nonprofit from spending more than \$3,000 per year from grant money received on any single individual receiving money under these programs.