

1-1 By: J. Davis of Harris, et al. H.B. No. 437
 1-2 (Senate Sponsor - Seliger)
 1-3 (In the Senate - Received from the House April 8, 2013;
 1-4 April 18, 2013, read first time and referred to Committee on Higher
 1-5 Education; May 16, 2013, reported adversely, with favorable
 1-6 Committee Substitute by the following vote: Yeas 5, Nays 0;
 1-7 May 16, 2013, sent to printer.)

1-8 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-9				
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14			X	
1-15			X	
1-16	X			

1-17 COMMITTEE SUBSTITUTE FOR H.B. No. 437 By: Seliger

1-18 A BILL TO BE ENTITLED
 1-19 AN ACT

1-20 relating to career and technical education and workforce
 1-21 development grant programs.

1-22 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-23 SECTION 1. Section 134.004, Education Code, is amended to
 1-24 read as follows:

1-25 Sec. 134.004. JOBS AND EDUCATION FOR TEXANS (JET) GRANT
 1-26 PROGRAM. (a) The comptroller shall establish and administer the
 1-27 Jobs and Education for Texans (JET) Grant Program to provide grants
 1-28 to public junior colleges and ~~[]~~ public technical institutes ~~[, and~~
 1-29 ~~eligible nonprofit organizations]~~ that apply to the advisory board
 1-30 in the manner prescribed by the advisory board. The comptroller
 1-31 shall award the grants on the advice and recommendations of the
 1-32 advisory board.

1-33 (b) Grants may be awarded under this chapter from the Jobs
 1-34 and Education for Texans (JET) fund ~~[for the following purposes:~~

1-35 ~~[(1) to develop, support, or expand programs of~~
 1-36 ~~nonprofit organizations that meet the requirements of Section~~
 1-37 ~~134.005 and that prepare low-income students for careers in~~
 1-38 ~~high-demand occupations,~~

1-39 ~~[(2)]~~ to defray the start-up costs associated with the
 1-40 development of new career and technical education programs at
 1-41 public junior colleges and public technical institutes that meet
 1-42 the requirements of Section 134.006 ~~[, and~~

1-43 ~~[(3) to provide scholarships for students in career and~~
 1-44 ~~technical education programs who meet the requirements of Section~~
 1-45 ~~134.007].~~

1-46 SECTION 2. Subtitle G, Title 3, Education Code, is amended
 1-47 by adding Chapter 136 to read as follows:

1-48 CHAPTER 136. TEXAS INNOVATIVE ADULT CAREER EDUCATION GRANT PROGRAM

1-49 Sec. 136.001. DEFINITIONS. In this chapter:

1-50 (1) "Nonprofit organization" means an organization
 1-51 exempt from federal income taxation under Section 501(a), Internal
 1-52 Revenue Code of 1986, as an organization described by Section
 1-53 501(c)(3) of that code.

1-54 (2) "Nonprofit workforce intermediary and job
 1-55 training organization" means a nonprofit organization that engages
 1-56 in comprehensive long-term job training in partnership with a
 1-57 public junior college, public state college, or public technical
 1-58 institute and provides labor market intermediary services to
 1-59 participant students.

1-60 (3) "Program" means the Texas Innovative Adult Career

2-1 Education (ACE) Grant Program established under Section 136.005.
2-2 (4) "Public junior college," "public state college,"
2-3 and "public technical institute" have the meanings assigned by
2-4 Section 61.003.
2-5 Sec. 136.002. GRANT ADMINISTRATOR. (a) The Texas Higher
2-6 Education Coordinating Board shall designate the governing board of
2-7 a junior college district primarily located in a municipality with
2-8 a population of 750,000 or more that is primarily located in a
2-9 county with a population of 1.5 million or less as the grant
2-10 administrator of the program, including the funds available under
2-11 Section 136.003.
2-12 (b) The grant administrator may participate in the program
2-13 if the grant administrator is otherwise an eligible organization
2-14 under Section 136.006.
2-15 Sec. 136.003. TEXAS INNOVATIVE ADULT CAREER EDUCATION (ACE)
2-16 GRANT FUND. (a) The comptroller shall establish the Texas
2-17 Innovative Adult Career Education (ACE) Grant fund as a dedicated
2-18 account in the general revenue fund.
2-19 (b) The following amounts shall be deposited in the fund:
2-20 (1) any amounts appropriated by the legislature for
2-21 the fund for purposes of this chapter;
2-22 (2) interest earned on the investment of money in the
2-23 fund; and
2-24 (3) gifts, grants, and other donations received for
2-25 the fund.
2-26 Sec. 136.004. PROGRAM ADVISORY BOARD. (a) The grant
2-27 administrator shall establish a program advisory board that
2-28 provides input and recommendations for the awarding of grants under
2-29 this chapter.
2-30 (b) The program advisory board must be composed of members
2-31 representing the philanthropic community, the business employer
2-32 community, and public junior colleges and public technical
2-33 institutes and must include the mayor of one of the five most
2-34 populous municipalities in this state. The grant administrator may
2-35 appoint a nonvoting, ex officio member to the program advisory
2-36 board. The program advisory board shall elect a chair of the board
2-37 from among its members.
2-38 (c) The program advisory board shall provide oversight to
2-39 ensure that the grant administrator:
2-40 (1) establishes and adheres to an appropriate system
2-41 that provides acceptable standards for ensuring accountability in
2-42 the awarding and monitoring of grants;
2-43 (2) enters into a written grant agreement or contract
2-44 with each grantee that establishes clear goals and obligations in
2-45 unambiguous terms;
2-46 (3) acts with due diligence to monitor the
2-47 implementation of a grant agreement, including carrying out
2-48 appropriate monitoring activities including reviews at reasonable
2-49 intervals; and
2-50 (4) takes prompt and appropriate corrective action on
2-51 becoming aware of any evidence of a violation by a grantee of this
2-52 chapter or of rules adopted under this chapter.
2-53 (d) The program advisory board shall meet as needed to
2-54 review received grant applications and make recommendations to the
2-55 grant administrator regarding awarding grants under this chapter.
2-56 Sec. 136.005. TEXAS INNOVATIVE ADULT CAREER EDUCATION (ACE)
2-57 GRANT PROGRAM. (a) The grant administrator shall establish and
2-58 administer the Texas Innovative Adult Career Education (ACE) Grant
2-59 Program to provide grants to eligible nonprofit workforce
2-60 intermediary and job training organizations. In awarding grants
2-61 under the program, the grant administrator shall take into
2-62 consideration the recommendations of the program advisory board.
2-63 (b) Grants may be awarded under this chapter from the Texas
2-64 Innovative Adult Career Education (ACE) Grant fund only to develop,
2-65 support, or expand programs of eligible nonprofit workforce
2-66 intermediary and job training organizations to prepare low-income
2-67 students to enter careers in high-demand and significantly
2-68 higher-earning occupations.
2-69 Sec. 136.006. ELIGIBLE ORGANIZATIONS. (a) To be eligible

3-1 for a grant under the program, a nonprofit workforce intermediary
 3-2 and job training organization must:
 3-3 (1) apply to the grant administrator in the manner
 3-4 prescribed by the grant administrator;
 3-5 (2) provide to eligible low-income students, in
 3-6 partnership with public junior colleges, public state colleges, or
 3-7 public technical institutes:
 3-8 (A) job training; and
 3-9 (B) a continuum of services designed to move a
 3-10 program participant from application to employment, including
 3-11 outreach, assessment, case management, support services, and
 3-12 career placement;
 3-13 (3) be governed by a board or other governing
 3-14 structure that includes recognized leaders of broad-based
 3-15 community organizations and executive-level or managerial-level
 3-16 members of the local business community;
 3-17 (4) demonstrate to the satisfaction of the program
 3-18 advisory board that the organization's program has achieved or will
 3-19 achieve the following measures of success among program
 3-20 participants:
 3-21 (A) above-average completion of developmental
 3-22 education among participating public junior college, public state
 3-23 college, or public technical institute students;
 3-24 (B) above-average persistence rates among
 3-25 participating public junior college, public state college, or
 3-26 public technical institute students;
 3-27 (C) above-average certificate or degree
 3-28 completion rates by participating students within a three-year
 3-29 period compared to demographically comparable public junior
 3-30 college, public state college, and public technical institute
 3-31 students; and
 3-32 (D) entry into careers with significantly higher
 3-33 earnings for program participants than previously achieved; and
 3-34 (5) provide matching funds in accordance with rules
 3-35 adopted under this chapter.
 3-36 (b) The matching funds required under Subsection (a)(5) may
 3-37 be obtained from any source available to the organization,
 3-38 including in-kind contributions, community or foundation grants,
 3-39 individual contributions, and local governmental agency operating
 3-40 funds. The grant administrator may adopt rules requiring an
 3-41 organization to demonstrate compliance with the matching funds
 3-42 requirement before the payment of the next installment under an
 3-43 awarded grant.
 3-44 Sec. 136.007. RULES. (a) The grant administrator shall
 3-45 adopt rules as necessary for the administration of this chapter in
 3-46 the manner provided by Chapter 2001, Government Code, for a state
 3-47 agency.
 3-48 (b) The grant administrator, with recommendations of the
 3-49 program advisory board, shall adopt rules regarding eligibility,
 3-50 program tuition and fees, administrative costs, matching funds, and
 3-51 case management and other supports for the program. The rules may
 3-52 include provisions for the payment in periodic installments of
 3-53 grant awards.
 3-54 SECTION 3. (a) Sections 134.001(1), 134.005, and 134.007,
 3-55 Education Code, are repealed.
 3-56 (b) Subchapter O, Chapter 403, Government Code, is
 3-57 repealed.
 3-58 (c) Subchapter Q, Chapter 403, Government Code, is
 3-59 repealed.
 3-60 SECTION 4. A person receiving a scholarship or other
 3-61 financial assistance under Chapter 134, Education Code, or
 3-62 Subchapter O, Chapter 403, Government Code, before the effective
 3-63 date of this Act for the 2013-2014 academic year may continue to
 3-64 receive a scholarship or other financial assistance under that law
 3-65 as applicable to the person immediately before that date, until the
 3-66 person is no longer eligible for the scholarship or other
 3-67 assistance under Chapter 134, Education Code, or Subchapter O,
 3-68 Chapter 403, Government Code, as the applicable law exists on
 3-69 January 1, 2013, and the former law is continued in effect for that

4-1 purpose.

4-2 SECTION 5. The Texas Higher Education Coordinating Board
4-3 shall designate a grant administrator as required by Section
4-4 136.002, Education Code, as added by this Act, as soon as possible
4-5 after the effective date of this Act.

4-6 SECTION 6. Grants provided under the Texas Innovative Adult
4-7 Career Education (ACE) Grant Program established under Chapter 136,
4-8 Education Code, as added by this Act, may benefit only a permanent
4-9 legal resident or citizen of the United States.

4-10 SECTION 7. This Act does not make an appropriation. This
4-11 Act takes effect regardless of whether a specific appropriation for
4-12 the implementation of this Act is provided in a general
4-13 appropriations act of the 83rd Legislature.

4-14 SECTION 8. This Act takes effect September 1, 2013.

4-15

* * * * *