

SENATE AMENDMENTS

2nd Printing

By: J. Davis of Harris, Reynolds, Orr, Smith,
Lozano, et al.

H.B. No. 437

A BILL TO BE ENTITLED

1 AN ACT

2 relating to career and technical education programs.

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

4 SECTION 1. Section 134.004, Education Code, is amended to
5 read as follows:

6 Sec. 134.004. JOBS AND EDUCATION FOR TEXANS (JET) GRANT
7 PROGRAM. (a) The comptroller shall establish and administer the
8 Jobs and Education for Texans (JET) Grant Program to provide grants
9 to public junior colleges, public technical institutes, and
10 eligible nonprofit organizations that apply to the advisory board
11 in the manner prescribed by the advisory board. The comptroller
12 shall award the grants under this section on the advice and
13 recommendations of the advisory board.

14 (b) Grants may be awarded under this chapter from the Jobs
15 and Education for Texans (JET) fund for the following purposes:

16 (1) to develop, support, or expand programs of
17 nonprofit organizations that meet the requirements of Section
18 134.005 and that prepare low-income students for careers in
19 high-demand occupations; and

20 (2) to defray the start-up costs associated with the
21 development of new career and technical education programs at
22 public junior colleges and public technical institutes that meet
23 the requirements of Section 134.006[~~, and~~

24 [~~(3) to provide scholarships for students in career and~~

1 ~~technical education programs who meet the requirements of Section~~
2 ~~134.007].~~

3 SECTION 2. (a) Section 134.007, Education Code, is
4 repealed.

5 (b) Subchapter O, Chapter 403, Government Code, is
6 repealed.

7 SECTION 3. A person receiving a scholarship or other
8 financial assistance under Chapter 134, Education Code, or
9 Subchapter O, Chapter 403, Government Code, before the effective
10 date of this Act for the 2013-2014 academic year may continue to
11 receive a scholarship or other financial assistance under that law
12 as applicable to the person immediately before the effective date,
13 until the person is no longer eligible for the scholarship or other
14 assistance under Chapter 134, Education Code, or Subchapter O,
15 Chapter 403, Government Code, as the applicable law exists on
16 January 1, 2013, and the former law is continued in effect for that
17 purpose.

18 SECTION 4. This Act takes effect September 1, 2013.

ADOPTED

MAY 22 2013

Atty Gen
Secretary of the Senate

By: *Seliger*

H.B. No. 437

Substitute the following for H.B. No. 437 :

By: *Seliger*

C.S.H.B. No. 437

A BILL TO BE ENTITLED

AN ACT

relating to career and technical education and workforce development grant programs.

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

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

Sec. 134.004. JOBS AND EDUCATION FOR TEXANS (JET) GRANT PROGRAM. (a) The comptroller shall establish and administer the Jobs and Education for Texans (JET) Grant Program to provide grants to public junior colleges and ~~[7]~~ public technical institutes ~~[7 and eligible nonprofit organizations]~~ that apply to the advisory board in the manner prescribed by the advisory board. The comptroller shall award the grants on the advice and recommendations of the advisory board.

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

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

~~[(2)]~~ to defray the start-up costs associated with the development of new career and technical education programs at

public junior colleges and public technical institutes that meet the requirements of Section 134.006[~~and~~

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

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

CHAPTER 136. TEXAS INNOVATIVE ADULT CAREER EDUCATION GRANT
PROGRAM

Sec. 136.001. DEFINITIONS. In this chapter:

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

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

(3) "Program" means the Texas Innovative Adult Career Education (ACE) Grant Program established under Section 136.005.

(4) "Public junior college," "public state college," and "public technical institute" have the meanings assigned by Section 61.003.

Sec. 136.002. GRANT ADMINISTRATOR. (a) The Texas Higher Education Coordinating Board shall designate the governing board of a junior college district primarily located in a municipality with a population of 750,000 or more that is primarily located in a county with a population of 1.5 million or less as the grant administrator of the program, including the funds available under Section 136.003.

(b) The grant administrator may participate in the program if the grant administrator is otherwise an eligible organization under Section 136.006.

Sec. 136.003. TEXAS INNOVATIVE ADULT CAREER EDUCATION (ACE) GRANT FUND. (a) The comptroller shall establish the Texas Innovative Adult Career Education (ACE) Grant fund as a dedicated account in the general revenue fund.

(b) The following amounts shall be deposited in the fund:

(1) any amounts appropriated by the legislature for the fund for purposes of this chapter;

(2) interest earned on the investment of money in the fund; and

(3) gifts, grants, and other donations received for the fund.

Sec. 136.004. PROGRAM ADVISORY BOARD. (a) The grant administrator shall establish a program advisory board that provides input and recommendations for the awarding of grants under this chapter.

(b) The program advisory board must be composed of members representing the philanthropic community, the business employer community, and public junior colleges and public technical institutes and must include the mayor of one of the five most populous municipalities in this state. The grant administrator may appoint a nonvoting, ex officio member to the program advisory board. The program advisory board shall elect a chair of the board from among its members.

(c) The program advisory board shall provide oversight to ensure that the grant administrator:

(1) establishes and adheres to an appropriate system that provides acceptable standards for ensuring accountability in the awarding and monitoring of grants;

(2) enters into a written grant agreement or contract with each grantee that establishes clear goals and obligations in unambiguous terms;

(3) acts with due diligence to monitor the implementation of a grant agreement, including carrying out appropriate monitoring activities including reviews at reasonable intervals; and

(4) takes prompt and appropriate corrective action on becoming aware of any evidence of a violation by a grantee of this chapter or of rules adopted under this chapter.

(d) The program advisory board shall meet as needed to review received grant applications and make recommendations to the grant

administrator regarding awarding grants under this chapter.

Sec. 136.005. TEXAS INNOVATIVE ADULT CAREER EDUCATION (ACE) GRANT PROGRAM. (a) The grant administrator shall establish and administer the Texas Innovative Adult Career Education (ACE) Grant Program to provide grants to eligible nonprofit workforce intermediary and job training organizations. In awarding grants under the program, the grant administrator shall take into consideration the recommendations of the program advisory board.

(b) Grants may be awarded under this chapter from the Texas Innovative Adult Career Education (ACE) Grant fund only to develop, support, or expand programs of eligible nonprofit workforce intermediary and job training organizations to prepare low-income students to enter careers in high-demand and significantly higher-earning occupations.

Sec. 136.006. ELIGIBLE ORGANIZATIONS. (a) To be eligible for a grant under the program, a nonprofit workforce intermediary and job training organization must:

(1) apply to the grant administrator in the manner prescribed by the grant administrator;

(2) provide to eligible low-income students, in partnership with public junior colleges, public state colleges, or public technical institutes:

(A) job training; and

(B) a continuum of services designed to move a program participant from application to employment, including

outreach, assessment, case management, support services, and career placement;

(3) be governed by a board or other governing structure that includes recognized leaders of broad-based community organizations and executive-level or managerial-level members of the local business community;

(4) demonstrate to the satisfaction of the program advisory board that the organization's program has achieved or will achieve the following measures of success among program participants:

(A) above-average completion of developmental education among participating public junior college, public state college, or public technical institute students;

(B) above-average persistence rates among participating public junior college, public state college, or public technical institute students;

(C) above-average certificate or degree completion rates by participating students within a three-year period compared to demographically comparable public junior college, public state college, and public technical institute students; and

(D) entry into careers with significantly higher earnings for program participants than previously achieved; and

(5) provide matching funds in accordance with rules adopted under this chapter.

(b) The matching funds required under Subsection (a)(5) may

be obtained from any source available to the organization, including in-kind contributions, community or foundation grants, individual contributions, and local governmental agency operating funds. The grant administrator may adopt rules requiring an organization to demonstrate compliance with the matching funds requirement before the payment of the next installment under an awarded grant.

Sec. 136.007. RULES. (a) The grant administrator shall adopt rules as necessary for the administration of this chapter in the manner provided by Chapter 2001, Government Code, for a state agency.

(b) The grant administrator, with recommendations of the program advisory board, shall adopt rules regarding eligibility, program tuition and fees, administrative costs, matching funds, and case management and other supports for the program. The rules may include provisions for the payment in periodic installments of grant awards.

SECTION 3. (a) Sections 134.001(1), 134.005, and 134.007, Education Code, are repealed.

(b) Subchapter O, Chapter 403, Government Code, is repealed.

(c) Subchapter Q, Chapter 403, Government Code, is repealed.

SECTION 4. A person receiving a scholarship or other financial assistance under Chapter 134, Education Code, or Subchapter O, Chapter 403, Government Code, before the effective date of this Act for the 2013-2014 academic year may continue to

receive a scholarship or other financial assistance under that law as applicable to the person immediately before that date, until the person is no longer eligible for the scholarship or other assistance under Chapter 134, Education Code, or Subchapter O, Chapter 403, Government Code, as the applicable law exists on January 1, 2013, and the former law is continued in effect for that purpose.

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

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

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

SECTION 8. This Act takes effect September 1, 2013.


ADOPTED

FLOOR AMENDMENT NO. 1

MAY 22 2013

BY:




Secretary of the Senate

1 Amend C.S.H.B. 437 (Senate Committee Printing) in SECTION 3
2 of the bill, on page 3, lines 58 and 59 by striking subsection
3 (c).
4

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

May 23, 2013

TO: Honorable Joe Straus, Speaker of the House, House of Representatives

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB437** by Davis, John (Relating to career and technical education and workforce development grant programs.), **As Passed 2nd House**

Estimated Two-year Net Impact to General Revenue Related Funds for HB437, As Passed 2nd House: a negative impact of (\$5,000,000) through the biennium ending August 31, 2015.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2014	(\$2,500,000)
2015	(\$2,500,000)
2016	(\$2,500,000)
2017	(\$2,500,000)
2018	(\$2,500,000)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from New General Revenue Related
2014	(\$2,500,000)
2015	(\$2,500,000)
2016	(\$2,500,000)
2017	(\$2,500,000)
2018	(\$2,500,000)

Fiscal Analysis

The bill would no longer authorize grants to nonprofit organizations and grants to a public junior college or public technical institute for the purpose of providing scholarships under the Jobs and Education for Texans (JET) program administered by the Comptroller of Public Accounts. Individuals currently receiving scholarships before the effective date of the enactment of the bill

for the 2013-2014 academic year may continue to receive the scholarship until they are no longer eligible under the provisions of the bill.

The provisions of the bill would also create the Texas Innovative Adult Career Education (ACE) Grant program and provide that the Higher Education Coordinating Board designate Austin Community College's (ACC) governing board as the grant administrator of the program since it meets the criteria of the bill. The bill requires ACC to establish a program advisory board that provides input and recommendations for the awarding of grants along with providing oversight of the grant administrator.

The Comptroller of Public Accounts would establish the General Revenue Dedicated Account-Texas Innovative Adult Career Education (ACE) Grant Fund, which could receive legislative appropriations, interest earnings, gifts, grants, and donations from public and private sources for facilitating this program. The bill would authorize ACC to award grants to develop, support, or expand programs of eligible nonprofit workforce intermediary and job training organizations to prepare low-income students to enter careers in high-demand and significantly higher-earning occupations.

Methodology

For purposes of this fiscal note, it is assumed that it would cost \$2,500,000 per year for the Texas Innovative Adult Career Education (ACE) Grant program. The cost is based on the amount appropriated for the 2012-13 biennium for the JET program, which is a similar program. Based on information provided by Austin Community College, it is anticipated that 8 percent of the total awards would be used for administrative costs.

The Comptroller indicates that costs associated with implementation of the bill could be absorbed within existing resources.

The bill would do one or more of the following: create or recreate a dedicated account in the General Revenue Fund, create or recreate a special or trust fund either within or outside of the Treasury, or create a dedicated revenue source. The fund, account, or revenue dedication included in this bill would be subject to funds consolidation review by the current Legislature.

Local Government Impact

Based on information provided by Austin Community College, it is anticipated that 8 percent of the total awards would be used for administrative costs.

Source Agencies: 304 Comptroller of Public Accounts, 781 Higher Education Coordinating Board

LBB Staff: UP, KK, DE, LCO

**LEGISLATIVE BUDGET BOARD
Austin, Texas**

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

May 16, 2013

TO: Honorable Kel Seliger, Chair, Senate Committee on Higher Education

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB437 by Davis, John (relating to career and technical education and workforce development grant programs.), **Committee Report 2nd House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB437, Committee Report 2nd House, Substituted: a negative impact of (\$5,000,000) through the biennium ending August 31, 2015.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2014	(\$2,500,000)
2015	(\$2,500,000)
2016	(\$2,500,000)
2017	(\$2,500,000)
2018	(\$2,500,000)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from New General Revenue Related
2014	(\$2,500,000)
2015	(\$2,500,000)
2016	(\$2,500,000)
2017	(\$2,500,000)
2018	(\$2,500,000)

Fiscal Analysis

The bill would no longer authorize grants to nonprofit organizations and grants to a public junior college or public technical institute for the purpose of providing scholarships under the Jobs and Education for Texans (JET) program administered by the Comptroller of Public Accounts.

Individuals currently receiving scholarships before the effective date of the enactment of the bill for the 2013-2014 academic year may continue to receive the scholarship until they are no longer eligible under the provisions of the bill. The bill would repeal Subchapter Q of Chapter 403, Government Code, relating to development of a habitat conservation plan by the Comptroller of Public Accounts.

The provisions of the bill would also create the Texas Innovative Adult Career Education (ACE) Grant program and provide that the Higher Education Coordinating Board designate Austin Community College's (ACC) governing board as the grant administrator of the program since it meets the criteria of the bill. The bill requires ACC to establish a program advisory board that provides input and recommendations for the awarding of grants along with providing oversight of the grant administrator.

The Comptroller of Public Accounts would establish the General Revenue Dedicated Account-Texas Innovative Adult Career Education (ACE) Grant Fund, which could receive legislative appropriations, interest earnings, gifts, grants, and donations from public and private sources for facilitating this program. The bill would authorize ACC to award grants to develop, support, or expand programs of eligible nonprofit workforce intermediary and job training organizations to prepare low-income students to enter careers in high-demand and significantly higher-earning occupations.

Methodology

For purposes of this fiscal note, it is assumed that it would cost \$2,500,000 per year for the Texas Innovative Adult Career Education (ACE) Grant program. The cost is based on the amount appropriated for the 2012-13 biennium for the JET program, which is a similar program. Based on information provided by Austin Community College, it is anticipated that 8 percent of the total awards would be used for administrative costs.

The Comptroller indicates that costs associated with implementation of the bill could be absorbed within existing resources. The Comptroller also noted that repeal of Subchapter Q of Chapter 403, Government Code would invalidate the habitat conservation plan currently in place with respect to the dunes sagebrush lizard. The absence of the plan may result in the dunes sagebrush lizard being listed as an endangered species which could potentially have a negative fiscal impact on Texas.

The bill would do one or more of the following: create or recreate a dedicated account in the General Revenue Fund, create or recreate a special or trust fund either within or outside of the Treasury, or create a dedicated revenue source. The fund, account, or revenue dedication included in this bill would be subject to funds consolidation review by the current Legislature.

Local Government Impact

Based on information provided by Austin Community College, it is anticipated that 8 percent of the total awards would be used for administrative costs.

Source Agencies: 304 Comptroller of Public Accounts, 781 Higher Education Coordinating Board

LBB Staff: UP, KK, DE, LCO

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

May 10, 2013

TO: Honorable Kel Seliger, Chair, Senate Committee on Higher Education

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB437 by Davis, John (Relating to career and technical education programs.), **As Engrossed**

No significant fiscal implication to the State is anticipated.

The provisions of the bill would no longer allow scholarships to a public junior college or public technical institute student under the Jobs and Education for Texas Grants program administered by the Comptroller of Public Accounts. Individuals currently receiving scholarships before the effective date of the enactment of the bill for the 2013-2014 academic year may continue to receive the scholarship until they are no longer eligible under the provisions of the bill.

The bill would take effect September 1, 2013.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 781 Higher Education Coordinating Board

LBB Staff: UP, KK, SK, DE

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

March 11, 2013

TO: Honorable John Davis, Chair, House Committee On Economic & Small Business
Development

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB437 by Davis, John (Relating to career and technical education programs.), **As
Introduced**

No significant fiscal implication to the State is anticipated.

The provisions of the bill would no longer allow nonprofit organizations to be eligible for Jobs and Education for Texas (JET) Grants. The provisions of the bill would also no longer allow scholarships to a public junior college or public technical institute student under the JET Grants program. Individuals currently receiving scholarships before the effective date of the enactment of the bill for the 2013-2014 academic year may continue to receive the scholarship until they are no longer eligible under the provisions of the bill.

The bill would take effect September 1, 2013.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 781 Higher Education Coordinating
Board

LBB Staff: UP, RB, SK, DE