

SENATE AMENDMENTS

2nd Printing

By: Ashby, Clardy, Phillips, Stephenson,
Blanco, et al.

H.B. No. 2994

A BILL TO BE ENTITLED

1 AN ACT

2 relating to workforce continuing education offered by public junior
3 colleges.

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

5 SECTION 1. Chapter 130, Education Code, is amended by
6 adding Subchapter L to read as follows:

7 SUBCHAPTER L. WORKFORCE CONTINUING EDUCATION

8 Sec. 130.301. DEFINITIONS. In this subchapter:

9 (1) "Adult" means a person who:

10 (A) is 17 years of age and has been awarded a high
11 school diploma or its equivalent; or

12 (B) is 18 years of age or older, regardless of the
13 person's previous educational experience.

14 (2) "Coordinating board" means the Texas Higher
15 Education Coordinating Board.

16 (3) "Workforce continuing education" means a program
17 of instruction that:

18 (A) is designed primarily for adults; and

19 (B) is intended, on completion by a participant,
20 to prepare the participant to qualify to apply for and accept an
21 employment offer or a job upgrade within a specific occupational
22 category or to bring the participant's knowledge or skills up to
23 date on new developments in a particular occupation or profession.

24 (4) "Workforce continuing education course" means a

1 course of instruction in workforce continuing education that is
2 approved by the coordinating board.

3 Sec. 130.302. FORMULA FUNDING FOR WORKFORCE CONTINUING
4 EDUCATION COURSES. Notwithstanding Section 130.003 or any other
5 law, contact hours attributable to the enrollment of a student in a
6 workforce continuing education course offered by a public junior
7 college shall be included in the contact hours used to determine the
8 college's proportionate share of state money appropriated and
9 distributed to public junior colleges under Sections 130.003 and
10 130.0031, regardless of whether:

11 (1) the course is taken by a student who is not an
12 adult under Section 130.303; or

13 (2) the college waives all or part of the tuition or
14 fees for the course under Section 130.304.

15 Sec. 130.303. WORKFORCE CONTINUING EDUCATION FOR HIGH
16 SCHOOL STUDENTS. A public junior college may enter into an
17 agreement with a school district, organization, or other person
18 that operates a high school to offer workforce continuing education
19 courses to persons enrolled in a high school who are at least 16
20 years of age on the census date of the applicable course. For
21 purposes of this section and Section 130.304, a person who is
22 enrolled in a school that is not formally organized as a high school
23 is considered to be enrolled in high school.

24 Sec. 130.304. WAIVER OF TUITION AND FEES FOR CERTAIN
25 WORKFORCE CONTINUING EDUCATION COURSES. A public junior college
26 may waive all or part of the tuition or fees charged to a student for
27 a workforce continuing education course if:

1 (1) the student:

2 (A) is enrolled in high school;

3 (B) is 16 years of age or older, has had the
4 disabilities of minority removed, and is not enrolled in secondary
5 education; or

6 (C) is under the age of 18 and is incarcerated;

7 (2) all or a significant portion of the college's costs
8 for facilities, instructor salaries, equipment, and other expenses
9 for the course are covered by business, industry, or other local
10 public or private entities; or

11 (3) the course is taught in a federal correctional
12 facility and the facilities, equipment, supplies, and other
13 expenses for the course are funded by the federal government.

14 Sec. 130.305. RULES. The coordinating board shall adopt
15 any rules the coordinating board considers necessary for the
16 administration of this subchapter. In adopting those rules, the
17 coordinating board shall use the negotiated rulemaking procedures
18 under Chapter 2008, Government Code.

19 SECTION 2. This Act takes effect September 1, 2017.

ADOPTED

MAY 22 2017

Leta Spaw
Secretary of the Senate

By: Ashby / Hinojosa

H.B. No. 2994

Substitute the following for H.B. No. 2994 :

By: *Roger W. N.*

C.S.H.B. No. 2994

A BILL TO BE ENTITLED

AN ACT

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2 relating to workforce continuing education offered by public junior
3 colleges.

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

5 SECTION 1. Chapter 130, Education Code, is amended by
6 adding Subchapter L to read as follows:

7 SUBCHAPTER L. WORKFORCE CONTINUING EDUCATION

8 Sec. 130.301. DEFINITIONS. In this subchapter:

9 (1) "Adult" means a person who:

10 (A) has completed the person's sophomore year of
11 high school;

12 (B) is 17 years of age and has been awarded a high
13 school diploma or its equivalent; or

14 (C) is 18 years of age or older, regardless of the
15 person's previous educational experience.

16 (2) "Avocational course" means a course of study in a
17 subject or activity that is usually engaged in by a person in
18 addition to the person's regular work or profession for recreation
19 or in relation to a hobby. The term includes a community interest
20 course.

21 (3) "Coordinating board" means the Texas Higher
22 Education Coordinating Board.

23 (4) "Workforce continuing education" means a program
24 of instruction that:

1 (A) is designed primarily for adults; and
2 (B) is intended, on completion by a participant,
3 to prepare the participant to qualify to apply for and accept an
4 employment offer or a job upgrade within a specific occupational
5 category or to bring the participant's knowledge or skills up to
6 date on new developments in a particular occupation or profession.

7 (5) "Workforce continuing education course" means a
8 course of instruction in workforce continuing education that is
9 approved by the coordinating board. The term does not include an
10 avocational course.

11 Sec. 130.302. FORMULA FUNDING FOR WORKFORCE CONTINUING
12 EDUCATION COURSES. Notwithstanding Section 130.003 or any other
13 law, contact hours attributable to the enrollment of a student in a
14 workforce continuing education course offered by a public junior
15 college shall be included in the contact hours used to determine the
16 college's proportionate share of state money appropriated and
17 distributed to public junior colleges under Sections 130.003 and
18 130.0031, regardless of whether the college waives all or part of
19 the tuition or fees for the course under Section 130.304.

20 Sec. 130.303. WORKFORCE CONTINUING EDUCATION FOR HIGH
21 SCHOOL STUDENTS. (a) A public junior college may offer, or may
22 enter into an agreement with a school district, organization, or
23 other person that operates a high school to offer, workforce
24 continuing education courses other than learning framework
25 courses, basic employability courses, and basic learning skills
26 courses to a person who:

27 (1) is enrolled in high school on the completion of the

1 person's sophomore year;

2 (2) is enrolled in a school that is not formally
3 organized as a high school and is at least 16 years of age; or

4 (3) is attending high school while incarcerated, is at
5 least 16 years of age, and is not eligible for release from
6 incarceration before the person's 18th birthday.

7 (b) This section does not prohibit a public junior college
8 from offering community interest continuing education courses
9 using local funds.

10 Sec. 130.304. WAIVER OF TUITION AND FEES FOR WORKFORCE
11 CONTINUING EDUCATION COURSES. A public junior college may waive
12 all or part of the tuition or fees charged to a student for a
13 workforce continuing education course.

14 Sec. 130.305. RULES. The coordinating board shall adopt
15 any rules the coordinating board considers necessary for the
16 administration of this subchapter. In adopting those rules, the
17 coordinating board shall use the negotiated rulemaking procedures
18 under Chapter 2008, Government Code.

19 SECTION 2. This Act takes effect September 1, 2017.

ADOPTED

MAY 22 2017

Henry D. ...
Secretary of the Senate

FLOOR AMENDMENT NO. 1

BY: *J. J. King*

1 Amend C.S.H.B. No. 2994 (senate committee printing) in
2 SECTION 1 of the bill, in added Section 130.304, Education Code
3 (page 2, line 21), between "course" and the underlined period, by
4 inserting the following:
5 only if:
6 (1) the student:
7 (A) is enrolled in high school or in a school
8 described by Section 130.303(a)(2);
9 (B) is 16 years of age or older, has had the
10 disabilities of minority removed, and is not enrolled in secondary
11 education; or
12 (C) is under the age of 18 and is incarcerated;
13 (2) all or a significant portion of the college's costs
14 for facilities, instructor salaries, equipment, and other expenses
15 for the course are covered by business, industry, or other local
16 public or private entities; or
17 (3) the course is taught in a federal correctional
18 facility and the facilities, equipment, supplies, and other
19 expenses for the course are funded by the federal government

ADOPTED

MAY 22 2017

Lotay Spaw
Secretary of the Senate

BY: *L. W. Kelle*

FLOOR AMENDMENT NO. 2

1 Amend C.S.H.B. 2994 (senate committee printing) by adding
2 the following appropriately numbered SECTIONS to the bill and
3 renumbering subsequent SECTIONS of the bill accordingly:

4 SECTION __. Section 51.451, Education Code, is amended by
5 adding Subdivision (4-a) to read as follows:

6 (4-a) "Open educational resource" means a teaching,
7 learning, or research resource that is in the public domain or
8 has been released under an intellectual property license that
9 permits the free use, adaptation, and redistribution of the
10 resource by any person. The term may include full course
11 curricula, course materials, modules, textbooks, media,
12 assessments, software, and any other tools, materials, or
13 techniques, whether digital or otherwise, used to support access
14 to knowledge.

15 SECTION __. Section 51.452, Education Code, is amended by
16 amending Subsection (a) and adding Subsection (d) to read as
17 follows:

18 (a) Each institution of higher education shall:

19 (1) for each semester or academic term, compile a
20 course schedule indicating each course offered by the
21 institution for the semester or term to postsecondary students;

22 (2) with respect to each course, include with the
23 schedule a list of the required and recommended textbooks that
24 specifies, to the extent practicable, the following information
25 for each textbook:

26 (A) the retail price;

27 (B) the author;

28 (C) the publisher;

29 (D) the most recent copyright date; [~~and~~]

1 (E) the International Standard Book Number
2 assigned, if any; and

3 (F) whether the textbook is an open educational
4 resource;

5 (3) except as provided by Subsection (b), at the time
6 required by Subsection (c)(2):

7 (A) publish the textbook list with the course
8 schedule on the institution's Internet website and with any
9 course schedule the institution provides in hard copy format to
10 the students of the institution; and

11 (B) make that information available to college
12 bookstores and other bookstores that generally serve the
13 students of the institution; and

14 (4) except as provided by Subsection (b), as soon as
15 practicable after the information becomes available disseminate
16 as required by Subdivision (3) specific information regarding
17 any revisions to the institution's course schedule and textbook
18 list.

19 (d) If an institution of higher education or a college
20 bookstore publishes a textbook list with a course schedule on an
21 Internet website that provides a search function, the
22 institution or bookstore must:

23 (1) ensure that the search function permits a search
24 based on whether a course or section of a course requires or
25 recommends only open educational resources; or

26 (2) provide a searchable list of courses and sections
27 of courses that require or recommend only open educational
28 resources.

29 SECTION __. Section 51.453, Education Code, is amended to
30 read as follows:

31 Sec. 51.453. TEXTBOOK ASSISTANCE INFORMATION FOR STUDENTS.

1 To the extent practicable, an institution of higher education
2 shall make reasonable efforts to disseminate to its students
3 information regarding:

4 (1) available institutional programs for renting
5 textbooks or for purchasing used textbooks;

6 (2) available institutional guaranteed textbook
7 buyback programs;

8 (3) available institutional programs for alternative
9 delivery of textbook content; ~~and~~

10 (4) the availability of courses and sections of
11 courses that require or recommend only open educational
12 resources; and

13 (5) other available institutional textbook cost-
14 savings strategies.

15 SECTION __. Section 51.454(a), Education Code, is amended
16 to read as follows:

17 (a) When a textbook publisher provides information
18 regarding a textbook or supplemental material other than an open
19 educational resource to a faculty member or other person in
20 charge of selecting course materials at an institution of higher
21 education, the publisher shall also provide to the faculty
22 member or other person written information that includes:

23 (1) the price at which the publisher would make the
24 textbook or supplemental material available to a college
25 bookstore or other bookstore that generally serves the students
26 of the institution and, if applicable, to the public;

27 (2) the copyright dates of the current and three
28 preceding editions of the textbook;

29 (3) a description of any substantial content
30 revisions made between the current edition of the textbook or
31 supplemental material and the most recent preceding edition of

1 the textbook or material, including the addition of new
2 chapters, new material covering additional time periods, new
3 themes, or new subject matter;

4 (4) information as to whether the textbook or
5 supplemental material is available in other formats, such as a
6 paperback or unbound version; and

7 (5) the price at which the publisher would make the
8 textbook or supplemental material in any alternative format
9 available to a bookstore described by Subdivision (1) and, if
10 applicable, to the public.

11 SECTION __. Subchapter C, Chapter 61, Education Code, is
12 amended by adding Section 61.0668 to read as follows:

13 Sec. 61.0668. OPEN EDUCATIONAL RESOURCES GRANT PROGRAM.

14 (a) In this section, "open educational resource" has the
15 meaning assigned by Section 51.451.

16 (b) The board shall establish and administer a grant
17 program to encourage faculty at institutions of higher education
18 to adopt, modify, redesign, or develop courses that use only
19 open educational resources.

20 (c) Under the program, a faculty member of an institution
21 of higher education may apply to the board for a grant to adopt,
22 modify, redesign, or develop one or more courses at the
23 institution to exclusively use open educational resources.

24 (d) For each course identified in an application for a
25 grant under this section, the board shall select at least three
26 persons qualified to review the curriculum of the course, as
27 determined by the board, to evaluate the application with
28 respect to that course. If the application is rejected, the
29 reviewing persons must provide feedback on the application to
30 the faculty member. The feedback may be provided anonymously.

31 (e) A faculty member who receives a grant under the

1 program shall ensure that any open educational resource used in
2 each applicable course is provided to a student enrolled in the
3 course at no cost other than the cost of printing.

4 (f) A faculty member who receives a grant under the
5 program must submit to the board for each of the four semesters
6 immediately following the implementation of each applicable
7 course a report that includes:

8 (1) the number of students who have completed the
9 course;

10 (2) an estimate of the amount of money saved by a
11 student due to the use of open educational resources in the
12 course;

13 (3) a description of the open educational resources
14 used in the course;

15 (4) the number of other faculty members, if any, who
16 adopted the curriculum of the course; and

17 (5) any other information required by the board.

18 (g) A faculty member who receives a grant under the
19 program may continue to submit a report described by Subsection
20 (f) for a semester that occurs after the faculty member's duty
21 to submit a report under that subsection has expired. The board
22 may consider a faculty member's failure to submit additional
23 reports under this subsection in evaluating a subsequent grant
24 application submitted by the faculty member.

25 (h) A faculty member who is no longer employed by an
26 institution of higher education forfeits any grant awarded under
27 the program.

28 (i) The board may not award a grant under the program to a
29 faculty member of a postsecondary educational institution other
30 than an institution of higher education.

31 (j) Not later than December 1 of each even-numbered year,

1 the board shall submit to the governor, lieutenant governor,
2 speaker of the house of representatives, and each standing
3 legislative committee with primary jurisdiction over higher
4 education a report on:

5 (1) the total number of grants distributed under the
6 program;

7 (2) the number of students who completed a course
8 adopted, modified, redesigned, or developed under the program;

9 (3) an estimate of the total amount of money saved by
10 students due to the use of open educational resources in courses
11 adopted, modified, redesigned, or developed under the program;

12 (4) a list of any subject areas that would benefit
13 from the adoption, modification, or development of open
14 educational resources; and

15 (5) recommendations on future steps for adopting,
16 modifying, or developing open educational resources.

17 (k) The board may solicit and accept gifts, grants, and
18 donations from any public or private source for purposes of the
19 program.

20 (l) The board shall adopt rules for the administration of
21 the program.

22 (m) This section expires September 1, 2021.

23 (n) The board may not use appropriated funds in an amount
24 greater than \$200,000 for purposes of the program in the state
25 fiscal biennium ending August 31, 2019. The board may use any
26 amount of other funds available for those purposes. This
27 subsection expires December 1, 2019.

28 SECTION __. Subchapter C, Chapter 61, Education Code, is
29 amended by adding Section 61.0669 to read as follows:

30 Sec. 61.0669. FEASIBILITY STUDY ON STATE REPOSITORY OF
31 OPEN EDUCATIONAL RESOURCES. (a) In this section, "open

1 educational resource" has the meaning assigned by Section
2 51.451.

3 (b) The board shall conduct a study to determine the
4 feasibility of creating a state repository of open educational
5 resources. The study must consider:

6 (1) methods for facilitating public access to open
7 educational resources;

8 (2) the resources needed to create the repository;
9 and

10 (3) any potential challenges in creating the
11 repository.

12 (c) In conducting the study, the board shall collaborate
13 with relevant state agencies and other stakeholders, including
14 the Texas Education Agency and representatives of public
15 institutions of higher education and school districts.

16 (d) Not later than September 1, 2018, the board shall
17 submit to the governor, lieutenant governor, speaker of the
18 house of representatives, and each standing legislative
19 committee with primary jurisdiction over higher education a
20 report on the results of the study and any recommendations for
21 legislative or other action. The report must include
22 information on:

23 (1) methods by which open educational resources would
24 be gathered and curated;

25 (2) measures to ensure public access to the
26 repository;

27 (3) methods of encouraging the use of the repository;

28 (4) management of intellectual property rights; and

29 (5) any other measures necessary to ensure the
30 repository's success.

31 (e) The board may not use appropriated funds in an amount

1 greater than \$100,000 for purposes of the study. The board may
2 use any amount of other available funds for purposes of the
3 study and may solicit and accept gifts, grants, and donations
4 for that purpose.

5 (f) This section expires September 1, 2019.

6 SECTION __. Sections 51.451, 51.452, 51.453, and 51.454,
7 Education Code, as amended by this Act, apply beginning with the
8 2018 spring semester.

9 SECTION __. (a) As soon as practicable after the
10 effective date of this Act, the Texas Higher Education
11 Coordinating Board shall adopt rules for the administration of
12 the open educational resources grant program under Section
13 61.0668, Education Code, as added by this Act.

14 (b) Notwithstanding Section 61.0668(j), Education Code, as
15 added by this Act, the Texas Higher Education Coordinating Board
16 shall submit its initial report required under that section not
17 later than December 1, 2019.

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

May 24, 2017

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB2994 by Ashby (Relating to workforce continuing education offered by public junior colleges.), **As Passed 2nd House**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2994, As Passed 2nd House: a negative impact of (\$300,000) through the biennium ending August 31, 2019. There is an impact of \$0 through the biennium ending August 31, 2019 for the formula funding provisions of the bill.

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
2018	(\$200,000)
2019	(\$100,000)
2020	(\$14,115,711)
2021	(\$14,614,461)
2022	(\$15,113,211)

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from General Revenue Fund
2018	(\$200,000)
2019	(\$100,000)
2020	(\$14,115,711)
2021	(\$14,614,461)
2022	(\$15,113,211)

Fiscal Year	Change in Number of State Employees from FY 2017
2018	1.0
2019	1.0
2020	1.0
2021	1.0
2022	1.0

Fiscal Analysis

The bill would amend the Education Code to allow contact hours attributable to the enrollment of a student in a workforce continuing education course to be included in formula funding. Currently, these hours are not included in formula funding. This assumed cost to General Revenue would not be seen until at least fiscal year 2020, as formula funding is provided to institutions based on student data prior to the biennium to be funded. Under the provisions of the bill, contact hours earned by students in workforce continuing education courses would be eligible for formula funding regardless of whether tuition and fees were wholly or partially waived.

The bill would also amend the Education Code to allow a public community college to waive all or part of the tuition and fees charged for a workforce continuing education course for certain students, if all or a portion of the costs are covered by local entities, or if the course is taught in a federal correctional facility. The contact hours earned by students whose tuition and fees are waived would be eligible for formula funding.

The bill would require the Higher Education Coordinating Board (THECB) to establish and administer a grant program to encourage faculty at institutions of higher education to adopt and develop courses that use only open educational resources. Under the program, a faculty member of an institution of higher education could apply to the Board for a grant to adopt, modify or redesign a course at the institution to exclusively use open educational resources. Under provisions of the bill, the Board may not award a grant under the program to a faculty member of a postsecondary educational institution other than an institution of higher education. The Board would submit a report regarding the program to the governor, lieutenant governor, speaker of the house of representatives, and each standing legislative committee with primary jurisdiction over higher education by December 1 of each even-numbered year.

Under provisions of the bill, THECB may not use appropriated funds in an amount greater than \$200,000 for purposes of the program in the state fiscal biennium ending August 31, 2019. THECB may use any amount of other funds available for those purposes. This section would expire December 1, 2019.

The bill would require THECB, in collaboration with the Texas Education Agency, public institutions of higher education and school districts, to conduct a study to determine the feasibility of creating a state repository of open educational resources. The study would have to include: 1) methods for facilitating public access to open educational resources, 2) the resources needed to create the repository, and 3) any potential challenges in creating the repository. THECB would submit the report regarding the results of the study to the Governor, Lieutenant Governor, Speaker of the House of Representatives, and each standing legislative committee with primary jurisdiction over higher education by September 1, 2019.

Under provisions of the bill, THECB may not use appropriated funds in an amount greater than

\$100,000 for purposes of the study. THECB may use any amount of other available funds for the purposes of the study and may solicit gifts, grants and donations for that purpose.

Methodology

The Texas Higher Education Coordinating Board (THECB) estimates an additional 1.6 million contact hours per semester would be eligible for formula funding. Applying the current annual contact hour rate of \$2.69 to the semesters that continuing education courses are offered results in an estimated annual formula cost of \$13.0 million in General Revenue.

The costs associated with the new program and study are limited to \$300,000 for the 2018-19 biennium as reflected in the tables above. These funding limitations will expire in fiscal year 2019. Beginning in fiscal year 2020, it is assumed that grant awards would increase. Based on information provided by THECB regarding similar open educational resources programs in other states, it is assumed that the award amount under the new program would be \$2,500 per fiscal year. It is also assumed that six faculty at each participating public higher education institution would receive an award. Beginning in fiscal year 2020, it is estimated that 50 percent of the 133 eligible public institutions would participate in the program and the faculty at these institutions would receive grants totaling \$997,500. In fiscal year 2021, it is assumed that participation in the program would increase to 75 percent and the cost of the program would increase to \$1,495,250. By fiscal year 2022, it is assumed that 100 percent of eligible institutions would participate in the program at a total cost of \$1,995,000.

Administrative costs for THECB associated with the new program are estimated to be \$60,980 for salaries, wages and benefits for 1 FTE, and \$18,255 in other costs beginning in fiscal year 2018.

Local Government Impact

This analysis assumes that the increased contact hours available for funding under the provisions of the bill could result in an increase in formula funding. However, without knowing which programs would be offered under the expanded definition for potential students, these fiscal implications of the bill are unknown at this time.

Source Agencies: 781 Higher Education Coordinating Board

LBB Staff: UP, ESC, GO, THo, DEH

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

May 17, 2017

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB2994 by Ashby (Relating to workforce continuing education offered by public junior colleges.), **Committee Report 2nd House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2994, Committee Report 2nd House, Substituted: an impact of \$0 through the biennium ending August 31, 2019. However, beginning in 2020-21 there would be an estimated negative impact of (\$26,077,952).

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2018	\$0
2019	\$0
2020	(\$13,038,976)
2021	(\$13,038,976)
2022	(\$13,038,976)

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from General Revenue Fund 1
2018	\$0
2019	\$0
2020	(\$13,038,976)
2021	(\$13,038,976)
2022	(\$13,038,976)

Fiscal Analysis

The bill would amend the Education Code to allow contact hours attributable to the enrollment of a student in a workforce continuing education course to be included in formula funding. Currently, these hours are not included in formula funding. This assumed cost to General Revenue would not be seen until at least fiscal year 2020, as formula funding is provided to institutions based on student data prior to the biennium to be funded. Under the provisions of the bill, contact hours earned by students in workforce continuing education courses would be eligible for formula

funding regardless of whether tuition and fees were wholly or partially waived.

The bill would also amend the Education Code to allow a public community college to waive all or part of the tuition and fees charged for a workforce continuing education course. The contact hours earned by students whose tuition and fees are waived would be eligible for formula funding.

Methodology

The Texas Higher Education Coordinating Board (THECB) estimates an additional 1.6 million contact hours per semester would be eligible for formula funding. Applying the current annual contact hour rate of \$2.69 to the semesters that continuing education courses are offered results in an estimated annual formula cost of \$13.0 million in General Revenue.

Local Government Impact

This analysis assumes that the increased contact hours available for funding under the provisions of the bill could result in an increase in formula funding. However, without knowing which programs would be offered under the expanded definition for potential students, these fiscal implications of the bill are unknown at this time.

Source Agencies: 781 Higher Education Coordinating Board

LBB Staff: UP, THo, DEH, ESC

**LEGISLATIVE BUDGET BOARD
Austin, Texas**

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

May 15, 2017

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB2994 by Ashby (Relating to workforce continuing education offered by public junior colleges.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2994, As Engrossed: an impact of \$0 through the biennium ending August 31, 2019. However, beginning in 2020-21 there would be an estimated negative impact of (\$26,077,952).

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2018	\$0
2019	\$0
2020	(\$13,038,976)
2021	(\$13,038,976)
2022	(\$13,038,976)

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from <i>General Revenue Fund</i> 1
2018	\$0
2019	\$0
2020	(\$13,038,976)
2021	(\$13,038,976)
2022	(\$13,038,976)

Fiscal Analysis

The bill would amend the Education Code to allow contact hours attributable to the enrollment of a student in a workforce continuing education course to be included in formula funding. Currently, these hours are not included in formula funding. This assumed cost to General Revenue would not be seen until at least fiscal year 2020, as formula funding is provided to institutions based on student data prior to the biennium to be funded. Under the provisions of the bill, contact hours earned by students who are not considered an adult would be eligible for formula funding.

The bill would also amend the Education Code to allow a public community college to waive all or part of the tuition and fees charged for a workforce continuing education course for certain students, if all or a portion of the costs are covered by local entities, or if the course is taught in a federal correctional facility. The contact hours earned by students whose tuition and fees are waived would be eligible for formula funding.

Methodology

The Texas Higher Education Coordinating Board (THECB) estimates an additional 1.6 million contact hours per semester would be eligible for formula funding. Applying the current annual contact hour rate of \$2.69 to the semesters that continuing education courses are offered results in an estimated annual formula cost of \$13.0 million in General Revenue.

Local Government Impact

Based on information provided by a sample of community colleges, the increased contact hours available for funding under the provisions of the bill could result in an increase in formula funding. However, without knowing which programs would be offered under the expanded definition for potential students, these fiscal implications of the bill are unknown at this time.

Source Agencies: 781 Higher Education Coordinating Board

LBB Staff: UP, THo, DEH, ESC

**LEGISLATIVE BUDGET BOARD
Austin, Texas**

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

March 28, 2017

TO: Honorable J. M. Lozano, Chair, House Committee on Higher Education

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB2994 by Ashby (Relating to workforce continuing education offered by public junior colleges.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2994, As Introduced: an impact of \$0 through the biennium ending August 31, 2019. However, beginning in 2020-21 there would be an estimated negative impact of (\$26,077,952).

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2018	\$0
2019	\$0
2020	(\$13,038,976)
2021	(\$13,038,976)
2022	(\$13,038,976)

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from <i>General Revenue Fund</i> 1
2018	\$0
2019	\$0
2020	(\$13,038,976)
2021	(\$13,038,976)
2022	(\$13,038,976)

Fiscal Analysis

The bill would amend the Education Code to allow contact hours attributable to the enrollment of a student in a workforce continuing education course to be included in formula funding. Currently, these hours are not included in formula funding. This assumed cost to General Revenue would not be seen until at least fiscal year 2020, as formula funding is provided to institutions based on student data prior to the biennium to be funded. Under the provisions of the bill, contact hours earned by students who are not considered an adult would be eligible for formula funding.

The bill would also amend the Education Code to allow a public community college to waive all or part of the tuition and fees charged for a workforce continuing education course for certain students, if all or a portion of the costs are covered by local entities, or if the course is taught in a federal correctional facility. The contact hours earned by students whose tuition and fees are waived would be eligible for formula funding.

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