

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION**

**April 13, 2021**

**TO:** Honorable Angie Chen Button, Chair, House Committee on International Relations & Economic Development

**FROM:** Jerry McGinty, Director, Legislative Budget Board

**IN RE: HB4176** by Guillen (Relating to performance criteria for the award of certain adult education and literacy funds.), **As Introduced**

**No significant fiscal implication to the State is anticipated.**

It is assumed that the costs associated with the bill's provisions relating to performance criteria for the award of certain adult education and literacy funds could be absorbed using existing resources. However, according to the Texas Workforce Commission (TWC), the provisions of the bill could impact TWC policies, operations, and pose potential performance-related challenges for TWC with Adult Education and Literacy (AEL) grantees and providers. TWC reports the bill as introduced is ambiguous about whether the performance criteria is a requirement for receiving state funding (which may result in a conformity issue with federal statute) or if it is to be a contracted measure. According to TWC, all eligible AEL providers applying for grant awards must demonstrate past effectiveness in providing AEL services, and federal regulations provide the specific criteria related to outcomes that must be provided in an application for funding. While some of those outcomes and performance data measures are similar to those in the bill, there are differences, which TWC reports may have unintended impacts on AEL performance. TWC adds that while all AEL grant recipients—which include independent school districts, education service centers, local workforce development boards, community-based organizations, and community colleges—implement high school equivalency (HSE) services, not all are able to implement Ability to Benefit (ATB) programs, which is a higher education program implemented primarily through community colleges. As such, TWC reports the ATB requirement could pose a significant programmatic challenge for non-community college AEL grant recipients. According to TWC, the criteria referenced in the bill emphasizes enrollments in HSE programs, which may inadvertently incentivize AEL grantees in only serving and enrolling those adult learners lacking a HSE to meet these new measures rather than being responsive to serving individuals in the community who are most in need of AEL activities, including those who already have an HSE credential but meet the other eligibility requirements, as required by current guidelines.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 304 Comptroller of Public Accounts, 320 Texas Workforce Commission

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