

# SENATE AMENDMENTS

2<sup>nd</sup> Printing

By: Bell of Kaufman, Button,  
Bell of Montgomery, Gates,  
J. Johnson of Harris, et al.

H.B. No. 3938

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the establishment of the industry-based certification  
3 advisory council and the transfer of certain duties to that  
4 advisory council.

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

6 SECTION 1. Subtitle B, Title 4, Labor Code, is amended by  
7 adding Chapter 312 to read as follows:

8 CHAPTER 312. INDUSTRY-BASED CERTIFICATION ADVISORY COUNCIL

9 Sec. 312.001. DEFINITION. In this chapter, "advisory  
10 council" means the industry-based certification advisory council  
11 established under this chapter.

12 Sec. 312.002. ADVISORY COUNCIL. (a) The industry-based  
13 certification advisory council is established to advise the  
14 commission regarding the alignment of public high school career and  
15 technology education programs with current and future workforce  
16 needs in communities, regions, and the state.

17 (b) The advisory council is composed of the following nine  
18 members:

19 (1) three members representing industry in this state,  
20 one each appointed by the governor, the lieutenant governor, and  
21 the speaker of the house of representatives;

22 (2) three members representing public school teachers  
23 who teach career and technology education courses or public school  
24 administrators, one each appointed by the governor, the lieutenant  
25 governor, and the speaker of the house of representatives; and

1           (3) three members representing a public junior college  
2 or public state college, as those terms are defined by Section  
3 61.003, Education Code, one each appointed by the governor, the  
4 lieutenant governor, and the speaker of the house of  
5 representatives.

6           (c) The members of the advisory council serve staggered  
7 four-year terms, with the terms of either four or five members  
8 expiring February 1 of each odd-numbered year.

9           (c-1) Notwithstanding Subsection (c), the initial members  
10 appointed shall determine by lot which four of the nine initial  
11 members will serve terms that expire February 1, 2023, and which  
12 five of the nine initial members will serve terms that expire  
13 February 1, 2025. This subsection expires January 1, 2026.

14           (d) A vacancy on the advisory council shall be filled in the  
15 same manner as the original appointment for that position.

16           (e) A member of the advisory council is not entitled to  
17 compensation for service as a member of the advisory council but is  
18 entitled to reimbursement for actual and necessary travel expenses  
19 incurred in performing functions as a member of the advisory  
20 council, as provided in the General Appropriations Act.

21           (f) Using existing resources, the Texas State Technical  
22 College System shall provide administrative and staff support for  
23 the advisory council.

24           SECTION 2. Section 29.189, Education Code, is transferred  
25 to Chapter 312, Labor Code, as added by this Act, redesignated as  
26 Section 312.003, Labor Code, and amended to read as follows:

27           Sec. 312.003. [~~Sec. 29.189.~~] INVENTORY OF CREDENTIALS AND

1 CERTIFICATES. (a) The advisory council [~~In this section:~~

2           ~~[(1) "Commission" means the Texas Workforce~~  
3 ~~Commission.~~

4           ~~[(2) "Coordinating board" means the Texas Higher~~  
5 ~~Education Coordinating Board.~~

6           ~~[(b) The agency, the coordinating board, and the~~  
7 ~~commission]~~ shall [jointly] develop [~~and post on their respective~~  
8 ~~Internet websites]~~ an inventory of industry-recognized credentials  
9 and certificates that may be earned by a public high school student  
10 through a career and technology education program and that:

11           (1) are aligned to state and regional workforce needs;  
12 and

13           (2) serve as an entry point to middle- and high-wage  
14 jobs.

15           (b) [~~(c)~~] The inventory must include for each credential or  
16 certificate:

17           (1) the associated career cluster;

18           (2) the awarding entity;

19           (3) the level of education required and any additional  
20 requirements for the credential or certificate;

21           (4) any fees for obtaining the credential or  
22 certificate; and

23           (5) the average wage or salary for jobs that require or  
24 prefer the credential or certificate.

25           (c) In developing the inventory, the advisory council may  
26 consult with local workforce boards, the Texas Workforce Investment  
27 Council, the Texas Economic Development and Tourism Office, and the

1 Texas Higher Education Coordinating Board.

2 (d) The advisory council shall establish a process for  
3 developing the inventory, including the criteria for the inclusion  
4 of a credential or certificate in the inventory.

5 (e) The advisory council shall annually review and revise  
6 the inventory.

7 (f) Each year, [~~the agency, the coordinating board, and~~] the  
8 commission [~~jointly~~] shall:

9 (1) adopt [~~review~~] and, if necessary, review [~~update~~]  
10 the inventory; and

11 (2) provide a copy of the inventory to the Texas  
12 Education Agency and to each school district and public institution  
13 of higher education that offers a career and technology education  
14 program to public high school students.

15 SECTION 3. As soon as practicable after the effective date  
16 of this Act but not later than January 1, 2022, the industry-based  
17 certification advisory council established under Chapter 312,  
18 Labor Code, as added by this Act, shall develop the initial  
19 inventory required under that chapter.

20 SECTION 4. This Act takes effect immediately if it receives  
21 a vote of two-thirds of all the members elected to each house, as  
22 provided by Section 39, Article III, Texas Constitution. If this  
23 Act does not receive the vote necessary for immediate effect, this  
24 Act takes effect September 1, 2021.

ADOPTED

MAY 25 2021

By: Beverly Powell

Latey Law  
Secretary of the Senate

H.B. No. 3938

Substitute the following for H.B. No. 3938:

By: Zaffini

C.S.H.B. No. 3938

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**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

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

**May 27, 2021**

**TO:** Honorable Dade Phelan, Speaker of the House, House of Representatives

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

**IN RE: HB3938** by Bell, Keith (Relating to the establishment of the industry-based certification advisory council and the transfer of certain duties to that advisory council.), **As Passed 2nd House**

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

The bill establishes an industry-based certification advisory council to advise the Texas Workforce Commission on the alignment of public high school career technology education programs with current and future workforce needs. Members of the council are not to be provided compensation, but they are entitled to reimbursement necessary travel expenses incurred in performing their role on the council.

The bill transfers certain duties currently carried out by the Texas Education Agency, the Texas Workforce Commission, and the Texas Higher Education Coordinating Board to the council.

The council would receive administrative and staff support from the Texas Workforce Commission. The agency indicates that the fiscal impact from the bill would be absorbed within current resources.

It is assumed that any costs associated with the bill could be absorbed by the Office of the Governor using existing resources.

According to the Texas Workforce Commission, the bill could require the commission to provide copies of final inventory and to provide consultation to the council. The agency assumes that these impacts can be absorbed within current resources.

According to the Texas Higher Education Coordinating Board, the Texas State Technical College System and the Comptroller's Office of Public Accounts no fiscal implication is anticipated.

**Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 300 Trusteed Programs - Gov, 304 Comptroller of Public Accounts, 320 Texas Workforce Commission, 719 TSTC System Admin, 781 Higher Education Coordinating Board

**LBB Staff:** JMc, SD, AJL, LCO, HGR, SZ

**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

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

**May 24, 2021**

**TO:** Honorable Brian Birdwell, Chair, Senate Committee on Natural Resources & Economic Development

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

**IN RE: HB3938** by Bell, Keith (Relating to the establishment of the industry-based certification advisory council and the transfer of certain duties to that advisory council.), **Committee Report 2nd House, Substituted**

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

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**LBB Staff:** JMc, AJL, LCO, HGR, SZ

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

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

**May 19, 2021**

**TO:** Honorable Brian Birdwell, Chair, Senate Committee on Natural Resources & Economic Development

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

**IN RE: HB3938** by Bell, Keith (Relating to the establishment of the industry-based certification advisory council and the transfer of certain duties to that advisory council.), **As Engrossed**

<b>No significant fiscal implication to the State is anticipated.</b>
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**LBB Staff:** JMc, AJL, LCO, HGR, SZ

**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

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

**April 15, 2021**

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

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

**IN RE: HB3938** by Bell, Keith (relating to the establishment of the industry-based certification advisory council and the transfer of certain duties to that advisory council.), **Committee Report 1st House, Substituted**

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

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The bill transfers certain duties currently carried out by the Texas Education Agency, the Texas Workforce Commission, and the Texas Higher Education Coordinating Board to the council.

The council would receive administrative and staff support from the Texas State Technical College System. The agency indicates that the fiscal impact from the bill would be absorbed within current resources.

It is assumed that any costs associated with the bill could be absorbed by the Office of the Governor using existing resources.

According to the Texas Workforce Commission, the bill could require the commission to provide copies of final inventory and to provide consultation to the council. The agency assumes that these impacts can be absorbed within current resources.

According to the Texas Higher Education Coordinating Board and the Comptroller's Office of Public Accounts no fiscal implication is anticipated.

**Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 300 Trusteed Programs - Gov, 304 Comptroller of Public Accounts, 320 Texas Workforce Commission, 719 TSTC System Admin, 781 Higher Education Coordinating Board

**LBB Staff:** JMc, SZ, LCO, HGR

**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

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

**March 30, 2021**

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

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

**IN RE: HB3938** by Bell, Keith (Relating to the establishment of the industry-based certification advisory council and the transfer of certain duties to that advisory council.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB3938, As Introduced : a negative impact of (\$714,848) through the biennium ending August 31, 2023.

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:**

<i>Fiscal Year</i>	<i>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</i>
2022	(\$357,424)
2023	(\$357,424)
2024	(\$357,424)
2025	(\$357,424)
2026	(\$357,424)

**All Funds, Five-Year Impact:**

<i>Fiscal Year</i>	<i>Probable Savings/(Cost) from General Revenue Fund</i>	<i>Change in Number of State Employees from FY 2021</i>
2022	(\$357,424)	3.0
2023	(\$357,424)	3.0
2024	(\$357,424)	3.0
2025	(\$357,424)	3.0
2026	(\$357,424)	3.0

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The bill transfers certain duties currently carried out by the Texas Education Agency, the Texas Workforce Commission, and the Texas Higher Education Coordinating Board to the council.

## **Fiscal Analysis**

The bill does not designate an agency to provide administrative and staff support to the council that would be established. This analysis assumes that the Office of the Governor, through the Trusted Programs, would provide this function.

According to the Office of the Governor, the provisions of the bill would create a fiscal impact to the state of \$1.8 million over 5 years. This cost would involve the hiring of three FTEs, professional services related to the consultation of outside research expert, travel, and equipment.

According to the Texas Workforce Commission, the bill could require the commission to provide copies of final inventory and to provide consultation to the council. The agency assumes that these impacts can be absorbed with current resources.

According to the Texas Higher Education Coordinating Board and the Comptroller's Office of Public Accounts, no fiscal implication is anticipated.

## **Methodology**

The Office of the Governor assumes that one senior staff will lead and direct work related to the council's responsibilities, one data analyst will assist the council in carrying out and analyzing research related to industry-based certifications, and one administrative assistant will support all administrative, travel, and meeting coordination functions. These council staff members would require essential office equipment (phone, computer, printer) and supplies. Members of the council would also be reimbursed for travel expenses and an outside research expert would need to be consulted to determine how statewide industry-based certifications would be accepted in the state.

The Office of the Governor based their estimated staffing costs per fiscal year of \$98,000 for a Director I, \$65,000 for a Data Analyst IV, and \$30,000 for an Administrative Assistant II are all based on the staff assigned to the Texas Skill Standard Board when it was an advisory council staffed by TWIC. The benefits for these FTEs are calculated at \$65,659 per fiscal year. Calculated travel expenses of \$9,372 per year are based on the five-year averages for the Texas Workforce Investment Council. Yearly equipment (\$2,196) and supply (\$2,197) costs are based on TWIC's three-year average. The estimated cost of \$85,000 per year for an outside research expert is based off the cost of a currently existing contract between the Texas Education Agency and a university research group performing the same function to that created by the provisions outlined in the bill.

## **Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 300 Trusted Programs - Gov, 304 Comptroller of Public Accounts, 320 Texas Workforce Commission, 781 Higher Education Coordinating Board

**LBB Staff:** JMc, SZ, LCO, HGR