

## **BILL ANALYSIS**

H.B. 2416  
By: Frullo  
International Relations & Economic Development  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Concerns have been raised regarding the number of adults in Texas who lack a high school credential, a disadvantage that may exist for reasons unrelated to academic ability. H.B. 2416 seeks to address these concerns in a cost-effective way by creating a workforce diploma pilot program for adults through a system of approved providers who are reimbursed on the basis of measurable outcomes.

### **CRIMINAL JUSTICE IMPACT**

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that rulemaking authority is expressly granted to the Texas Workforce Commission in SECTION 1 of this bill.

### **ANALYSIS**

H.B. 2416 amends the Labor Code to require the Texas Workforce Commission (TWC), in consultation with the Texas Education Agency, to establish and administer a workforce diploma pilot program under which eligible high school diploma-granting entities participating in the program may be reimbursed for successfully assisting adult students to obtain a high school diploma and develop technical career readiness skills and employability. The bill requires the TWC, not later than October 15 of each year, to publish a request for qualifications for providers to participate in the program and sets out provider eligibility requirements.

H.B. 2416 requires the TWC, not later than November 15 of each year, to publish a list of providers approved to participate in the program during the next calendar year. The bill establishes that an approved provider maintains approval to participate during a subsequent calendar year without reapplying to the TWC unless the provider is removed from the approved provider list for failure to meet minimum performance standards. The bill requires the TWC, to the extent money is available for that purpose, to reimburse each participating provider according to a schedule of reimbursement amounts set out by the bill for the achievement of specified milestones by students receiving services from the provider and provides for monthly invoicing and for the order in which providers are reimbursed.

H.B. 2416 requires each approved provider that participated in the program during the previous calendar year to report to the TWC, not later than January 15 of each year, certain data regarding the provider's students for that year. The bill requires the TWC by rule to prescribe minimum performance standards for providers participating in the program and to develop formulas to make the appropriate calculations. The bill requires the standards to include a graduation rate of at least 50 percent and a program cost per graduate of \$7,000 or less and requires the graduation

rate to be calculated one cohort year in arrears. The bill requires the TWC to review data from each participating provider annually to ensure that the services offered by the provider are meeting the minimum standards and, if the TWC determines that a provider did not meet those standards in the previous calendar year, to place the provider on probationary status for the remainder of the current calendar year. The bill requires the TWC to remove from the approved provider list any provider that does not meet the minimum performance standards for two consecutive calendar years.

H.B. 2416 requires the TWC, not later than December 1 of each even-numbered year, to submit to the legislature a report on the effectiveness of the program and to include a recommendation regarding whether the program should be continued, expanded, or terminated. The bill's provisions expire September 1, 2025.

**EFFECTIVE DATE**

September 1, 2019.