

- SUBJECT:** Restructuring career and technical education grant programs
- COMMITTEE:** Economic and Small Business Development — favorable. without amendment
- VOTE:** 7 ayes — J. Davis, Vo, Bell, Isaac, Murphy, Perez, Workman
0 nays
2 absent — Y. Davis, E. Rodriguez
- WITNESSES:** For — (*Registered, but did not testify:* David D. Anderson, Arlington ISD Board of Trustees; David Anthony, Raise Your Hand Texas; Sabrina Brown, Dow Chemical; Mike Meroney, Huntsman Corp., BASF Corp., and Sherwin Alumina Co.; Carlton Schwab, Texas Economic Development Council)

Against — Mike Phillips, Texas IAF Network and COPS/Metro; (*Registered, but did not testify:* Jennifer Allmon, The Texas Catholic Conference)

On — Robert Wood, Office of the Comptroller of Public Accounts
- BACKGROUND:** In 2009, the 81st Legislature established the Jobs and Education for Texans (JET) grant program and appropriated \$25 million to fund it. The program, administered by the comptroller's office, included three categories of funding to support career and technical education:
- \$10 million for the Job Building Fund, capital financing for equipment purchases for career and technical education programs;
 - \$10 million for the Launchpad Fund, dedicated grants for nonprofit organizations to support and expand programs preparing low-income students for training in high-demand occupations; and
 - \$5 million for the Career and Technical Scholarship Fund, providing scholarships for high-need students training for high-demand occupations, administered by public community colleges and technical schools.

DIGEST: HB 437 would eliminate two of the three types of grants authorized by the Jobs and Education for Texans (JET) fund. The fund no longer would:

- allocate grants to nonprofit organizations to develop, support, or expand programs to train low-income students for high-demand occupations;
- fund scholarships to train low-income students.

The JET program would retain authority to fund start-up costs for new career and technical education. Public community colleges and technical schools still could apply for grants to invest in equipment designated for technical training purposes.

The bill would take effect September 1, 2013. Students receiving scholarships or other financial assistance before the effective date for the 2013-14 academic year could continue receiving money until the student was no longer eligible for financial assistance under current law.

**SUPPORTERS
SAY:**

HB 437 would concentrate the Jobs and Education for Texans (JET) program on the purchase by colleges and schools of high-end technology and equipment that matches the type used by commercial facilities. This would allow the program to help the most students. Because of the enduring nature of equipment purchases, schools and colleges expect 54,000 students to be trained over the next decade using the equipment purchased with JET grants. This would help many more students than those helped through scholarships and grants to nonprofit organizations.

The process of allocating scholarship money through the JET program was found to be inflexible, resulting in colleges and schools returning some scholarship funds to the comptroller's office. Identifying students who qualified for these programs was difficult because restrictive rules limited many students' eligibility.

Limiting the applications to technical schools and community colleges would allow grant applications to be processed more efficiently.

**OPPONENTS
SAY:**

The bill would take money from valuable nonprofit programs with proven records of success. Nonprofit organizations provide holistic job training programs that include labor market intermediary services, outreach, case management support, and career placement for unemployed or underemployed low-wage earners. These programs have broad community

support and receive matching funds from local sources. These nonprofit programs improve on-time graduation rates, reduce welfare and Supplement Nutrition Assistance Program (or food stamp) payments, and increase tax receipts by placing low-income students in high-paying jobs.

NOTES: The House committee substitute for CSSB 1, the proposed state budget for fiscal 2014-15, would include \$10 million for consideration in Article 11 for the Jobs and Education for Texans account.