

SUBJECT: Allowing funding for certain workforce continuing education courses

COMMITTEE: Higher Education — favorable, without amendment

VOTE: 9 ayes — Lozano, Raney, Alonzo, Alvarado, Button, Clardy, Howard, Morrison, Turner

0 nays

WITNESSES: For — Mark Escamilla, Del Mar College, Texas Association of Community Colleges; Michael Simon, Texas Association of Community Colleges; (*Registered, but did not testify*: Michael Chatron, AGC Texas Building Branch; Jennifer Poteat, Community College Association of Texas Trustees; Johnette McKown, McLennan Community College; Annie Spilman, National Federation of Independent Business Texas; Frank Graves, Texas Administrators of Continuing Education; Miranda Goodsheller, Texas Association of Business; Brenda Hellyer, Texas Association of Community Colleges, San Jacinto College; Stephanie Simpson, Texas Association of Manufacturers; Michael White, Texas Construction Association; Mike Meroney, Texas Workforce Coalition, Huntsman Corporation, BASF Corporation; Aidan Utzman, United Ways of Texas)

Against — None

On — (*Registered, but did not testify*: Rex Peebles, Texas Higher Education Coordinating Board; Matt Oliver)

BACKGROUND: Under Education Code, sec. 130.003(a), public junior colleges receive part of their funding based on their number of contact hours, a measurement of scheduled academic or technical class time.

DIGEST: HB 2994 would require contact hours for workforce continuing education courses at public junior colleges to be counted when determining state appropriations, regardless of whether they were taken by a student who was not an adult or whether the college waived all or part of the tuition or

fees for the course under certain conditions. An "adult" would mean a person who was at least 18 years old or who was 17 years old and had received a high school diploma or the equivalent.

The bill would allow a public junior college to enter into an agreement with a school district, organization, or other person that operated a high school to offer workforce continuing education courses to persons in high school who were at least 16 years old on the census date of the applicable course.

A public junior college could waive all or part of the tuition and fees charged to a student for a workforce continuing education course if:

- the student was enrolled in high school;
- the student was at least 16 years old, an emancipated minor, and not enrolled in secondary education;
- the student was under the age of 18 and incarcerated;
- all or a significant portion of the college's costs for facilities, instructor salaries, equipment, and other expenses for the course were covered by business, industry, or other local public or private entities; or
- the course was taught in a federal correctional facility and the expenses for the course were funded by the federal government.

The bill would take effect September 1, 2017.

SUPPORTERS
SAY:

Contact hour eligibility. HB 2994 would provide clarity on which continuing education courses were eligible for state formula funding. The bill would make clear that continuing education courses delivered to students age 16 or older could be reported for fundable contact hours. The Fair Labor Standards Act allows 16-year-olds to work, and providing continuing education courses to 16-year-olds who would be 17 upon completion of the course would be appropriate for workforce preparation.

The bill simply would put into statute the common understanding for how contact hours for students younger than age 18 have been counted in the

past. This would not be a significant departure from previous practice, and the number of contact hours should not increase dramatically.

Workforce development. Workforce continuing education courses often align with the endorsements established through the enactment of HB 5 by Aycock in 2013. They also help students gain immediate employment while in high school, explore career options and interests, and assist with employment after graduation. While dual credit courses may be offered to assist in workforce development, communities need a variety of options to help improve the workforce. Without the enactment of HB 2994, community colleges could see a significant reduction in their funding for certain types of continuing education courses, leading to courses being cut or substantial fee increases.

Partnerships with local entities. Some colleges partner with local entities such as law enforcement, emergency medical services, and fire departments to deliver continuing education training and to offset some costs for offering courses. Under these partnerships, an entity might provide the use of their facilities, equipment, or vehicles, while the college provides the instruction. Even if tuition and certain expenses are covered in these situations, there are other expenses that the community college must absorb. Not being reimbursed for contact hours in such situations would make it difficult for community colleges to deliver the training the community is requesting in the most efficient manner. This bill would remedy that issue by allowing for reimbursement of certain courses where tuition was waived.

Fiscal impact. While the Legislative Budget Board has anticipated a cost to the state after the current fiscal biennium, any increase in funding would be an appropriations decision. The bill would increase the number of fundable contact hours but would not increase the amount allocated.

OPPONENTS
SAY:

Contact hour eligibility. The Education Code refers to workforce continuing education courses as "continuing adult education programs for occupational or cultural upgrading," demonstrating that such courses typically are considered to be for adults, not students under age 18.

Continuing education courses historically have not been designed for students in high school, which is why continuing education courses offered to students under age 18 should not be counted for funding.

Increasing the eligibility of contact hours could lead to contact hour funding inflation. Unless the Legislature was able to increase funding in future sessions to correspond with the increase in contact hours, the amount of funding offered per contact hour could decrease.

Workforce development. Career and technical education (CTE) courses are a more appropriate option for high school students. These courses to develop workforce skills can be offered as dual-credit, whereas continuing education courses are noncredit courses that do not count toward a degree. Community colleges that offer dual-credit courses already are authorized to waive tuition and receive contact hour funding, and dual-credit CTE courses are a better option to develop the workforce and lead to degree completion.

Fiscal impact. Although the bill would not affect general revenue through fiscal 2019, the bill would result in a substantial cost to the state of about \$13 million in each subsequent fiscal year.

OTHER
OPPONENTS
SAY:

Partnerships with local entities. The requirement that a student be at least 16 years old on the census date of the course could lead to administrative difficulties in reporting the age of the students because the census date often falls only a few days after the first day of class. A better approach would be to require that a student be a junior or senior in high school when enrolling in the course.

NOTES:

A companion bill, SB 1746 by Hinojosa, was left pending following a public hearing in the Senate Committee on Higher Education on April 26.

According to estimates in the fiscal note, an additional 1.6 million contact hours per semester would be eligible for formula funding under HB 2994. The bill would have no fiscal impact during fiscal 2018-19 because formula funding is provided to institutions based on student data prior to

the fiscal biennium being funded, according to the Legislative Budget Board. Beginning in fiscal 2020, the estimated cost would be \$13 million annually to general revenue related funds.