

- SUBJECT:** Creating a workforce diploma pilot program
- COMMITTEE:** International Relations and Economic Development — favorable, without amendment
- VOTE:** 8 ayes — Anchia, Blanco, Cain, Larson, Metcalf, Perez, Raney, Romero
- 0 nays
- 1 absent — Frullo
- WITNESSES:** For — Fernando Moreno, Graduation Alliance; (*Registered, but did not testify*: Priscilla Camacho, Dallas Regional Chamber; Greg Harp, Graduation Alliance; Ned Muñoz, Texas Association of Builders; Mike Meroney, Texas Association of Manufacturers)
- Against — None
- On — Traci Berry, Goodwill Central Texas; Kerry Ballast, Texas Workforce Commission
- DIGEST:** HB 2416 would 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 and participating high school diploma-granting entities could be reimbursed for successfully assisting adult students to obtain a high school diploma and develop technical career readiness skills and employability.
- Reimbursement of program providers.** To the extent that money was available for the purpose, TWC would be required to reimburse each approved provider participating in the pilot program for certain student achievements at the following rates:
- \$250 for the completion of a half credit;
 - \$250 for the completion of an employability skills certification program;

- \$250 for the attainment of an industry-recognized credential requiring not more than 50 hours of training;
- \$500 for the attainment of an industry-recognized credential requiring between 50 and 100 hours of training;
- \$750 for the attainment of an industry-recognized credential requiring more than 100 hours of training; and
- \$1,000 for the obtainment of a high school diploma.

By the 10th calendar day of each month, providers would have to submit an invoice to TWC for the milestones achieved by the providers' students during the previous calendar month. Reimbursements would be provided in the order in which invoices were received until all program funds were exhausted.

Eligibility. By October 15 of each year, TWC would be required to publish a request for qualifications for providers to participate in the program.

To be eligible for participation, a provider would have to be a public, nonprofit, or private high school diploma-granting and accredited entity and apply to TWC for inclusion in the program.

Providers would be required to have at least two years of experience providing dropout reengagement services to adult students and offer a course catalog that included all courses necessary to meet Texas' high school graduation requirements. In addition, providers would have to be equipped to develop a learning plan that integrated academic requirements with career goals and be able to provide:

- academic skill intake assessments and transcript evaluations;
- remediation coursework in literacy and numeracy;
- a research-validated academic resiliency assessment and intervention;
- employability skills development aligned to employer needs;
- career pathways coursework;

- preparation for the attainment of industry-recognized credentials;
and
- career placement services.

Approval. By November 15 of each year, TWC would be required to publish a list of providers that were approved by the commission to participate in the program during the next calendar year. Approved providers would maintain approval to participate during a subsequent calendar year without reapplying unless the provider was removed from the list following a performance review.

Performance review. TWC would be required to prescribe minimum performance standards for providers. The standards would have to include a graduation rate of at least 50 percent and a program cost per graduate of \$7,000 or less. TWC would develop formulas to make the appropriate calculations for the evaluation of providers. The graduation rate would have to be calculated one cohort year in arrears.

TWC would be required to annually review data from each provider to ensure that minimum standards were met. If TWC determined that an approved provider had not met minimum standards in the previous calendar year, the provider would be placed on probationary status for the remainder of the calendar year. Providers that do not meet standards for two consecutive years would be removed from the approved provider list.

Reports. By January 15 of each year, each participating provider would be required to report to TWC:

- the number of students for which the provider received reimbursement;
- the total number of credits earned by the students;
- the total number of employability skills certification programs the students completed;
- the total number of industry-recognized credentials attained by the students in each of the reimbursement funding tiers; and
- the number of students who obtained a high school diploma.

By December 1 of each even-numbered year, TWC would be required to submit a report to the Legislature on the effectiveness of the program, including a recommendation regarding whether the program should be continued, expanded, or terminated.

These provisions would expire September 1, 2025.

The bill would take effect September 1, 2019.

NOTES:

According to the Legislative Budget Board, the fiscal implications of the bill cannot be calculated due to uncertainty about the number of participating providers. A contingency rider for \$5 million was included for consideration in Article 11 of HB 1, the general appropriations act for fiscal 2020-21.