

## **BILL ANALYSIS**

Senate Research Center

H.B. 1935  
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Higher Education  
5/18/2009  
Engrossed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

The Texas State Comptroller's report, *Texas Works 2008: Training and Education for All Texans*, states that Texas faces growing shortages of the skilled workers that help attract and retain business. According to the U.S. Department of Education, 90 percent of the fastest-growing jobs in the new information and service economy will require some postsecondary education.

This bill establishes the Jobs and Education for Texas grant program to counter the shortages by providing grants to public junior colleges, public technical institutes, and eligible nonprofits that foster workforce development in emerging industries and high-demand occupations. In addition, the comptroller of public accounts is authorized to award scholarships to public junior college or public technical institute students who demonstrate a financial need and are training for a high-demand occupation.

H.B. 1935 relates to the establishment of the Jobs and Education for Texans Grant Program to support adult and postsecondary education and workforce development.

### **RULEMAKING AUTHORITY**

Rulemaking authority is expressly granted to the comptroller of public accounts in SECTION 1 (Section 403.358, Government Code) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Chapter 403, Government Code, by adding Subchapter O, as follows:

#### **SUBCHAPTER O. JOBS AND EDUCATION FOR TEXANS (JET) GRANT PROGRAM**

Sec. 403.351. DEFINITIONS. Defines "nonprofit organization," "public junior college," "public state college," and "public technical institute."

Sec. 403.352. JOBS AND EDUCATION FOR TEXANS (JET) FUND. (a) Requires the comptroller of public accounts (comptroller) to establish and administer the Jobs and Education for Texans (JET) fund as a dedicated account in the general revenue fund.

(b) Requires that the following amounts be deposited in the fund: any amounts appropriated by the legislature for the fund for purposes of this subchapter; interest earned on the investment of money in the fund; and gifts, grants, and other donations received for the fund.

Sec. 403.353. ADVISORY BOARD. (a) Provides that an advisory board of education and workforce stakeholders (advisory board) is created to assist the comptroller in administering this subchapter.

(b) Provides that the advisory board is composed of seven members who serve two-year terms and are appointed as follows: one member appointed by the governor; one member appointed by the lieutenant governor; one member appointed by the speaker of the house of representatives; one member appointed by the Texas Higher Education Coordinating Board; one member of the public

appointed by the comptroller; and the comptroller, who serves as the presiding officer.

(c) Requires the advisory board to meet at least once each quarter to review received applications and recommend awarding grants under this subchapter.

Sec. 403.354. JOBS AND EDUCATION FOR TEXANS (JET) GRANT PROGRAM. Requires the comptroller to establish and administer the JET grant program to provide grants to public junior colleges, public technical institutes, and eligible nonprofit organizations that apply to the advisory board in the manner prescribed by the advisory board. Requires the comptroller to award the grants on the advice and recommendations of the advisory board. Authorizes grants to be awarded under this subchapter from the JET fund for the following purposes:

(1) to develop, support, or expand programs of nonprofit organizations that meet the requirements of Section 403.355 and that prepare low-income students for careers in high-demand occupations;

(2) to defray the startup costs associated with the development of new career and technical education programs at public junior colleges and public technical institutes that meet the requirements of Section 403.356; and

(3) to provide scholarships for students in career and technical education programs who meet the requirements of Section 403.357.

Sec. 403.355. GRANTS TO NONPROFIT ORGANIZATIONS FOR INNOVATIVE AND SUCCESSFUL PROGRAMS. (a) Authorizes the comptroller to award a grant to a nonprofit organization eligible under Subsection (b) for the development, support, or expansion of programs to prepare low-income students for careers in high-demand occupations.

(b) Requires a nonprofit organization, to be eligible to receive a grant under this section, to:

(1) provide a program to offer assistance to low-income students in preparing for, applying to, and enrolling in a public junior college or public technical institute;

(2) be governed by a board or other governing structure that includes recognized leaders of broad-based community organizations and members of the local business community;

(3) demonstrate to the satisfaction of the advisory board that the organization's program has achieved or will achieve the following measures of success among program participants, to the extent applicable to the type of program the organization provides above average completion of developmental education among participating public junior college or public technical institute students; above average persistence rates among participating public junior college or public technical institute students; above average certificate or degree completion rates by participating students within a three-year period compared to demographically comparable public junior college and public technical institute students; and employment of participating students at an average full-time starting wage that is equal to or greater than the prevailing wage for the occupation entered; and

(4) provide matching funds in accordance with rules adopted under Section 403.358.

(c) Authorizes the matching funds required under Subsection (b)(4) to be obtained from any source available to the nonprofit organization, including in-

kind contributions, community or foundation grants, individual contributions, and local governmental agency operating funds.

(c-1) Requires the comptroller, in determining which eligible nonprofit organizations should be awarded a grant under this section among two or more eligible nonprofit organizations offering similar programs, to give priority to any of those organizations that has an existing program in place to assist veterans.

(d) Requires that grants awarded under this section be awarded in a manner that takes a balanced geographical distribution into consideration.

Sec. 403.356. GRANTS TO EDUCATIONAL INSTITUTIONS FOR CAREER AND TECHNICAL EDUCATION PROGRAMS. (a) Authorizes the comptroller to award a grant for the development of new career and technical education courses or programs at public junior colleges and public technical institutes.

(b) Authorizes a grant received under this section to be used only to support courses or programs that prepare students for career employment in occupations that are identified by local businesses as being in high demand; to finance initial costs of career and technical education course or program development, including the costs of constructing or renovating facilities, purchasing equipment, and other expenses associated with the development of a new course; and to finance a career and technical education course or program that leads to a license, certificate, or postsecondary degree.

(c) Requires the comptroller, in awarding a grant under this section, to primarily consider the potential economic returns to the state from the development of the career and technical education course or program. Authorizes the comptroller to also consider whether the course or program is part of a new, emerging industry or high-demand occupation; offers new or expanded dual credit career and technical education opportunities in public high schools; or is provided in cooperation with other public junior colleges or public technical institutes across existing service areas.

(d) Requires a public junior college or public technical institute, to be eligible to receive a grant under this section, to provide matching funds in accordance with rules adopted under Section 403.358. Authorizes the matching funds to be obtained from any source available to the college, including in-kind contributions, industry consortia, community or foundation grants, individual contributions, and local governmental agency operating funds.

Sec. 403.357. SCHOLARSHIPS. (a) Authorizes the comptroller to award a scholarship to a public junior college or public technical institute student.

(b) Requires a student, to be eligible to receive a scholarship under this section, to demonstrate financial need and be enrolled in a training program for a high-demand occupation, as determined by the comptroller on the recommendation of the advisory board.

Sec. 403.358. RULES. Requires the comptroller to adopt rules as necessary for the administration of this subchapter.

Sec. 403.359. STUDY. (a) Requires the comptroller to conduct a study of the feasibility of basing a portion of all public postsecondary technical training program funding on the economic benefit of the program to the state; and for purposes of Subdivision (1), estimating the amount of any additional tax revenue generated by employers that results from the ability of public junior colleges, public state colleges, or public technical institutes to prepare students for employment fields for which there is employer demand.

(b) Requires the comptroller to begin the study not later than January 1, 2010. Requires the comptroller, not later than January 1, 2011, to make

recommendations to the lieutenant governor and the speaker of the house of representatives for legislative action based on the results of the study.

(c) Provides that this section expires September 1, 2011.

SECTION 2. Authorizes grants provided through the Texas Adult Career Education Grant Program established under Section 403.351, Government Code, as added by this Act to only benefit a permanent legal resident or citizen of the United States.

SECTION 3. Effective date: upon passage or September 1, 2009.