

BILL ANALYSIS

Senate Research Center

C.S.H.B. 437
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Higher Education
5/15/2013
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The Jobs and Education for Texans (JET) Grant Program was created to address the demand for skilled workers in Texas.

C.S.H.B. 437 amends current law relating to career and technical education and workforce development grant programs.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the grant administrator of the Texas Innovative Adult Career Education Grant Program in SECTION 2 (Sections 136.006 and 136.007, Education Code) of this bill.

Rulemaking authority previously granted to the comptroller of public accounts of the State of Texas is rescinded in SECTION 3 (Subchapters O and Q, Chapter 403, Government Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 134.004, Education Code, as follows:

Sec. 134.004. JOBS AND EDUCATION FOR TEXANS (JET) GRANT PROGRAM.

(a) Creates this subsection from existing text. Requires the comptroller of public accounts of the State of Texas (comptroller) to establish and administer the Jobs and Education for Texans (JET) Grant Program to provide grants to public junior colleges and public technical institutes, rather than to public junior colleges, public technical institutes, and eligible nonprofit organizations, that apply to an advisory board of education and workforce stakeholders (advisory board) in the manner prescribed by the advisory board.

(b) Creates this subsection from existing text. Deletes existing text authorizing grants to be awarded under this chapter (Jobs and Education for Texans (JET) Grant Program) from the JET fund to develop, support, or expand programs of nonprofit organizations that meet the requirements of Section 134.005 (Grants to Nonprofit Organizations for Innovative and Successful Programs) and that prepare low-income students for careers in high demand occupations; and to provide scholarships for students in career and technical education programs who meet the requirements of Section 134.007 (Scholarships). Makes nonsubstantive changes.

SECTION 2. Amends Subtitle G, Title 3, Education Code, by adding Chapter 136, as follows:

CHAPTER 136. TEXAS INNOVATIVE ADULT CAREER EDUCATION GRANT PROGRAM

Sec. 136.001. DEFINITIONS. Defines "nonprofit organization," "nonprofit workforce," "program," "public junior college," "public state college," and "public technical institute" in this chapter.

Sec. 136.002. GRANT ADMINISTRATOR. (a) Requires the Texas Higher Education Coordinating Board (THECB) to designate the governing board of a junior college district primarily located in a municipality with a population of 750,000 or more that is primarily located in a county with a population of 1.5 million or less as the grant administrator of the Texas Innovative Adult Career Education Grant Program (program), including the funds available under Section 136.003.

(b) Authorizes the grant administrator to participate in the program if the grant administrator is otherwise an eligible organization under Section 136.006.

Sec. 136.003. TEXAS INNOVATIVE ADULT CAREER EDUCATION (ACE) GRANT FUND. (a) Requires the comptroller to establish the Texas Innovative Adult Career Education (ACE) Grant fund (fund) as a dedicated account in the general revenue fund.

(b) Requires that the following amounts be deposited in the fund:

(1) any amounts authorized by the legislature for the fund for purposes of this chapter;

(2) interest earned on the investment of money in the fund;

(3) gifts, grants, and other donations received for the fund.

Sec. 136.004. PROGRAM ADVISORY BOARD. (a) Requires the grant administrator to establish a program advisory board that provides input and recommendations for the awarding of grants under this chapter.

(b) Requires the program advisory board to be composed of members representing the philanthropic community, the business employer community, and public junior colleges and public technical institutes and to include the mayor of one of the five most populous municipalities in the state. Authorizes the grant administrator to appoint a nonvoting, ex officio member to the program advisory board. Requires the program advisory board to elect a chair of the board from among its members.

(c) Requires the program advisory board to provide oversight to ensure that the grant administrator:

(1) establishes and adheres to an appropriate system that provides acceptable standards for ensuring accountability in the awarding and monitoring of grants;

(2) enters into a written agreement or contract with each grantee that establishes clear goals and obligations in unambiguous terms;

(3) acts with due diligence to monitor the implementation of a grant agreement, including carrying out appropriate monitoring activities including reviews at reasonable intervals;

(4) takes prompt and appropriate corrective action on becoming aware of any evidence of a violation by a grantee of this chapter or of the rules adopted under this chapter.

(d) Requires the program advisory board to meet as needed to review received grant applications and make recommendations to the grant administrator regarding awarding grants under this chapter.

Sec. 136.005. TEXAS INNOVATIVE ADULT CAREER EDUCATION (ACE) GRANT PROGRAM. (a) Requires the grant administrator to establish and administer the program to provide grants to eligible nonprofit workforce intermediary and job training organizations. Requires the grant administrator, in awarding grants under the program, to take into consideration the recommendations of the program advisory board.

(b) Authorizes grants to be awarded under this chapter from the fund only to develop, support, or expand programs of eligible nonprofit workforce intermediary and job training organizations to prepare low-income students to enter careers in high-demand and significantly higher-earning occupations.

Sec. 136.006. ELIGIBLE ORGANIZATIONS. (a) Requires a nonprofit workforce intermediary and job training organization, to be eligible for a grant under the program, to:

(1) apply to the grant administrator in the manner prescribed by the grant administrator;

(2) provide to eligible low-income students, in partnership with public junior colleges, public state colleges, or public technical institutes:

(A) job training;

(B) a continuum of services designed to move a program participant from application to employment, including outreach, assessment, case management, support services, and career placement;

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

(4) demonstrate to the satisfaction of the program advisory board that the organization's program has achieved or will achieve the following measures of success among program participants:

(A) above-average completion of developmental education among participating public junior college, public state college, or public technical institute students;

(B) above-average persistence rates among participating public junior college, public state college, or public technical institute students;

(C) above-average certificate or degree completion rates by participating students within a three-year period compared to demographically comparable public junior college, public state college, and public technical institute students;

(D) entry into careers with significantly higher earning for program participants than previously achieved; and

(5) provide matching funds in accordance with rules adopted under this chapter.

(b) Authorizes the matching funds required under Subsection (a)(5) to be obtained from any source available to the organization, including in-kind contributions, community or foundation grants, individual contributions, and local governmental agency operating funds. Authorizes the grant administrator to adopt rules

requiring an organization to demonstrate compliance with the matching funds requirement before the payment of the next installment under an awarded grant.

Sec. 136.007. RULES. (a) Requires the grant administrator to adopt rules as necessary for the administration of this chapter in the manner provided by Chapter 2001 (Administrative Procedure), Government Code, for a state agency.

(b) Requires the grant administrator, with recommendations of the program advisory board, to adopt rules regarding eligibility, program tuition and fees, administrative costs, matching funds, and case management and other supports for the program. Authorizes the rules to include provisions for the payment in periodic installments of grant awards.

SECTION 3. (a) Repealer: Sections 134.001(1) (defining "nonprofit organization"), 134.005 (Grants to Nonprofit Organizations for Innovative and Successful Programs), and 134.007 (Scholarships), Education Code.

(b) Repealer: Subchapter O (Jobs and Education for Texans (JET) Grant Program), Chapter 403 (Comptroller of Public Accounts), Government Code.

(c) Repealer: Subchapter Q (Support for Habitat Protection Measures), Chapter 403, Government Code.

SECTION 4. Authorizes a person receiving a scholarship or other financial assistance under Chapter 134, Education Code, or Subchapter O, Chapter 403, Government Code, before the effective date of this Act for the 2013-2014 academic year to continue to receive a scholarship or other financial assistance under that law as applicable to the person immediately before the effective date, until the person is no longer eligible for the scholarship or other assistance under Chapter 134, Education Code, or Subchapter O, Chapter 403, Government Code, as the applicable law exists on January 1, 2013, and provides that the former law is continued in effect for that purpose.

SECTION 5. Requires THECB to designate a grant administrator as required by Section 136.002, Education Code, as added by this Act, as soon as possible after the effective date of this Act.

SECTION 6. Authorizes grants provided under the program established under Chapter 136, as added by this Act, to benefit only a permanent legal resident or citizen of the United States.

SECTION 7. Provides that this Act does not make an appropriation. Provides that this Act takes effect regardless of whether a specific appropriation for the implementation of this Act is provided in a general appropriations act of the 83rd Legislature.

SECTION 8. Effective date: September 1, 2013.