

BILL ANALYSIS

Senate Research Center

S.B. 1055
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Natural Resources & Economic Development
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Enrolled

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

In Texas, 17.7 percent of adults do not have their high school diplomas and existing resources and established institutions are inadequate to address their needs. Lacking a diploma often creates a significant barrier to full-time employment, especially for careers that provide opportunities for promotion and growth. Lacking a diploma also makes enrollment in a two-year or four-year college more difficult.

S.B. 1055 would create a framework for an adult workforce diploma program at the Texas Workforce Commission (TWC). Specifically, it would define a workforce diploma program, in which providers are reimbursed only for completed student credits; provide eligibility criteria for qualified program providers; establish an open approval process for qualified program providers; codify performance milestones and compensation amounts, including completion of credits, employability skills programming, industry credential preparation training, and attainment of an accredited high school diploma; require approved providers to report annually on numbers of participating students and milestones attained; establish minimum program performance standards for providers; and require TWC to review program-level performance data for each provider against minimum performance standards and to take prescribed action against low-performing programs. (Original Author's/Sponsor's Statement of Intent)

S.B. 1055 amends current law relating to the administration by the Texas Workforce Commission of a workforce diploma pilot program.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the Texas Workforce Commission in SECTION 1 (Section 317.008, Labor Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subtitle B, Title 4, Labor Code, by adding Chapter 317, as follows:

CHAPTER 317. WORKFORCE DIPLOMA PILOT PROGRAM

Sec. 317.001. DEFINITIONS. Defines "adult" and "program."

Sec. 317.002. PROGRAM ESTABLISHMENT AND ADMINISTRATION; PURPOSE. Requires the Texas Workforce Commission (TWC), in consultation with the Texas Education Agency, to establish and administer a workforce diploma pilot program under which eligible high school diploma-granting entities participating in the program are authorized to be reimbursed for successfully assisting adult students to obtain a high school diploma and develop technical career readiness skills and employability.

Sec. 317.003. REQUEST FOR PROGRAM PROVIDER QUALIFICATIONS. Requires TWC, not later than October 15 of each year, to publish a request for qualifications for providers to participate in the program.

Sec. 317.004. PROVIDER ELIGIBILITY. Requires a provider, to be eligible to participate as a provider under the program, to:

- (1) apply to TWC in the manner prescribed by TWC rule;
- (2) be a public, nonprofit, or private entity that is:
 - (A) authorized under the Education Code or other state law to grant a high school diploma; or
 - (B) accredited by a regional accrediting body.
- (3) have at least two years of experience providing dropout reengagement services to adult students, including recruitment, learning plan development, and proactive coaching and mentoring, leading to the obtainment of a high school diploma;
- (4) be equipped to:
 - (A) provide academic skill intake assessment 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; and
 - (B) develop a learning plan that integrates academic requirements and career goals; and
- (5) offer a course catalog that includes all courses necessary to meet high school graduation requirements in this state.

Sec. 317.005. PROVIDER APPROVAL; LIST OF APPROVED PROVIDERS. (a) Requires TWC, not later than November 15 of each year, to publish a list of providers approved by TWC to participate in the program during the next calendar year.

(b) Provides that an approved provider maintains approval to participate in the program during a subsequent calendar year without reapplying to TWC unless the provider is removed from the approved provider list as provided by Section 317.008.

Sec. 317.006. REIMBURSEMENT OF PROGRAM PROVIDERS FOR STUDENT ACHIEVEMENT. (a) Requires TWC, to the extent money is available for that purpose, to reimburse each approved provider participating in the program for the achievement of the following milestones by students receiving services from the provider:

- (1) \$250 for the completion of a half credit;
- (2) \$250 for the completion of an employability skills certification program equal to at least one credit or the equivalent;
- (3) \$250 for the attainment of an industry-recognized credential requiring not more than 50 hours of training;
- (4) \$500 for the attainment of an industry-recognized credential requiring at least 50 but not more than 100 hours of training;
- (5) \$750 for the attainment of an industry-recognized credential requiring more than 100 hours of training; and
- (6) \$1,000 for the obtainment of a high school diploma.

(b) Requires an approved provider participating in the program, not later than the 10th calendar day of each month, to submit to TWC an invoice for the milestones achieved by the provider's students during the previous calendar month.

(c) Requires TWC to reimburse approved program providers in the order in which invoices are received by TWC until all funds available for the program are exhausted.

Sec. 317.007. ANNUAL REPORT. Requires each approved provider that participated in the program during the previous calendar year, not later than January 15 of each year, to report to TWC the following data regarding the provider's students for that year:

(1) the number of students for which the provider received reimbursement under the program;

(2) the total number of credits earned by the students;

(3) the total number of employability skills certification programs completed by the students;

(4) the total number of industry-recognized credentials attained by the students in each of the funding tiers described by Sections 317.006(a)(3), (4), and (5); and

(5) the number of students who obtained a high school diploma.

Sec. 317.008. PROVIDER PERFORMANCE REVIEW. (a) Requires TWC by rule to prescribe minimum performance standards for providers participating in the program. Requires the minimum performance standards to include:

(1) a graduation rate of at least 50 percent; and

(2) a program cost per graduate of \$7,000 or less.

(b) Requires TWC by rule, for purposes of Subsections (a)(1) and (2), to develop formulas to make the appropriate calculations. Requires the graduation rate to be calculated one cohort year in arrears.

(c) Requires TWC to review data from each participating approved provider annually to ensure that the services offered by the provider are meeting the minimum performance standards. Requires TWC, if TWC determines that an approved provider did not meet the minimum performance standards in the previous calendar year, to place the provider on probationary status for the remainder of the current calendar year.

(d) Requires TWC to remove from the approved provider list published under Section 317.005 any provider that does not meet the minimum performance standards for two consecutive calendar years.

Sec. 371.009. REPORT. Requires TWC, not later than December 1 of each even-numbered year, to submit to the legislature a report on the effectiveness of the program. Requires TWC to include in the report a recommendation regarding whether the program should be continued, expanded, or terminated.

Sec. 317.010. EXPIRATION. Provides that this chapter expires September 1, 2025.

SECTION 2. Provides that TWC is required to implement a provision of this Act only if the legislature appropriates money specifically for that purpose. Authorizes, but does not require,

TWC, if the legislature does not appropriate money specifically for that purpose, to implement a provision of this Act using other appropriations available for that purpose.

SECTION 3. Effective date: September 1, 2019.