

Chapter 510

H.B. No. 2994

1 AN ACT

2 relating to workforce continuing education offered by public junior
3 colleges.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Chapter 130, Education Code, is amended by
6 adding Subchapter L to read as follows:

7 SUBCHAPTER L. WORKFORCE CONTINUING EDUCATION

8 Sec. 130.301. DEFINITIONS. In this subchapter:

9 (1) "Adult" means a person who:

10 (A) has completed the person's sophomore year of
11 high school;

12 (B) is 17 years of age and has been awarded a high
13 school diploma or its equivalent; or

14 (C) is 18 years of age or older, regardless of the
15 person's previous educational experience.

16 (2) "Avocational course" means a course of study in a
17 subject or activity that is usually engaged in by a person in
18 addition to the person's regular work or profession for recreation
19 or in relation to a hobby. The term includes a community interest
20 course.

21 (3) "Coordinating board" means the Texas Higher
22 Education Coordinating Board.

23 (4) "Workforce continuing education" means a program
24 of instruction that:

1 (A) is designed primarily for adults; and

2 (B) is intended, on completion by a participant,
3 to prepare the participant to qualify to apply for and accept an
4 employment offer or a job upgrade within a specific occupational
5 category or to bring the participant's knowledge or skills up to
6 date on new developments in a particular occupation or profession.

7 (5) "Workforce continuing education course" means a
8 course of instruction in workforce continuing education that is
9 approved by the coordinating board. The term does not include an
10 avocational course.

11 Sec. 130.302. FORMULA FUNDING FOR WORKFORCE CONTINUING
12 EDUCATION COURSES. Notwithstanding Section 130.003 or any other
13 law, contact hours attributable to the enrollment of a student in a
14 workforce continuing education course offered by a public junior
15 college shall be included in the contact hours used to determine the
16 college's proportionate share of state money appropriated and
17 distributed to public junior colleges under Sections 130.003 and
18 130.0031, regardless of whether the college waives all or part of
19 the tuition or fees for the course under Section 130.304.

20 Sec. 130.303. WORKFORCE CONTINUING EDUCATION FOR HIGH
21 SCHOOL STUDENTS. (a) A public junior college may offer, or may
22 enter into an agreement with a school district, organization, or
23 other person that operates a high school to offer, workforce
24 continuing education courses other than learning framework
25 courses, basic employability courses, and basic learning skills
26 courses to a person who:

27 (1) is enrolled in high school on the completion of the

1 person's sophomore year;

2 (2) is enrolled in a school that is not formally
3 organized as a high school and is at least 16 years of age; or

4 (3) is attending high school while incarcerated, is at
5 least 16 years of age, and is not eligible for release from
6 incarceration before the person's 18th birthday.

7 (b) This section does not prohibit a public junior college
8 from offering community interest continuing education courses
9 using local funds.

10 Sec. 130.304. WAIVER OF TUITION AND FEES FOR WORKFORCE
11 CONTINUING EDUCATION COURSES. A public junior college may waive
12 all or part of the tuition or fees charged to a student for a
13 workforce continuing education course only if:

14 (1) the student:

15 (A) is enrolled in high school or in a school
16 described by Section 130.303(a)(2);

17 (B) is 16 years of age or older, has had the
18 disabilities of minority removed, and is not enrolled in secondary
19 education; or

20 (C) is under the age of 18 and is incarcerated;

21 (2) all or a significant portion of the college's costs
22 for facilities, instructor salaries, equipment, and other expenses
23 for the course are covered by business, industry, or other local
24 public or private entities; or

25 (3) the course is taught in a federal correctional
26 facility and the facilities, equipment, supplies, and other
27 expenses for the course are funded by the federal government.

1 Sec. 130.305. RULES. The coordinating board shall adopt
2 any rules the coordinating board considers necessary for the
3 administration of this subchapter. In adopting those rules, the
4 coordinating board shall use the negotiated rulemaking procedures
5 under Chapter 2008, Government Code.

6 SECTION 2. This Act takes effect September 1, 2017.

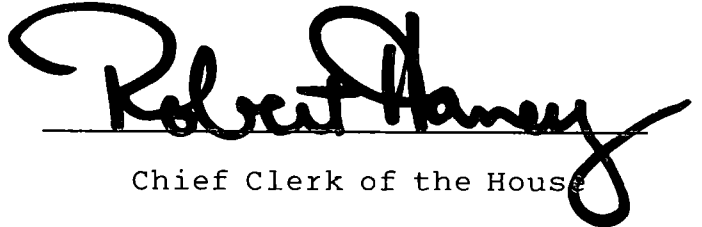


President of the Senate



Speaker of the House

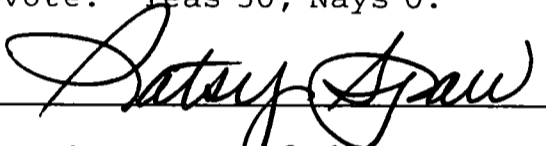
I certify that H.B. No. 2994 was passed by the House on April 28, 2017, by the following vote: Yeas 130, Nays 2, 4 present, not voting; that the House refused to concur in Senate amendments to H.B. No. 2994 on May 26, 2017, and requested the appointment of a conference committee to consider the differences between the two houses; and that the House adopted the conference committee report on H.B. No. 2994 on May 28, 2017, by the following vote: Yeas 146, Nays 1, 1 present, not voting.



Chief Clerk of the House

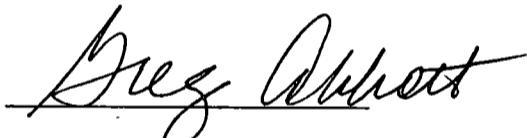
H.B. No. 2994

I certify that H.B. No. 2994 was passed by the Senate, with amendments, on May 22, 2017, by the following vote: Yeas 28, Nays 3; at the request of the House, the Senate appointed a conference committee to consider the differences between the two houses; and that the Senate adopted the conference committee report on H.B. No. 2994 on May 28, 2017, by the following vote: Yeas 30, Nays 0.



Secretary of the Senate

APPROVED: 6-7-2017

Date


Governor

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
7:00 PM O'CLOCK


Secretary of State

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

May 27, 2017

TO: Honorable Dan Patrick, Lieutenant Governor, Senate
Honorable Joe Straus, Speaker of the House, House of Representatives

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB2994** by Ashby (Relating to workforce continuing education offered by public junior colleges.), **Conference Committee Report**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2994, Conference Committee Report: an impact of \$0 through the biennium ending August 31, 2019. However, beginning in 2020-21 there would be an estimated negative impact of (\$26,077,952).

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2018	\$0
2019	\$0
2020	(\$13,038,976)
2021	(\$13,038,976)
2022	(\$13,038,976)

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from <i>General Revenue Fund</i> 1
2018	\$0
2019	\$0
2020	(\$13,038,976)
2021	(\$13,038,976)
2022	(\$13,038,976)

Fiscal Analysis

The bill would amend the Education Code to allow contact hours attributable to the enrollment of a student in a workforce continuing education course to be included in formula funding. Currently, these hours are not included in formula funding. This assumed cost to General Revenue would not be seen until at least fiscal year 2020, as formula funding is provided to institutions based on student data prior to the biennium to be funded. Under the provisions of the bill, contact

hours earned by students in workforce continuing education courses would be eligible for formula funding regardless of whether tuition and fees were wholly or partially waived.

The bill would also amend the Education Code to allow a public community college to waive all or part of the tuition and fees charged for a workforce continuing education course for certain students, if all or a portion of the costs are covered by local entities, or if the course is taught in a federal correctional facility. The contact hours earned by students whose tuition and fees are waived would be eligible for formula funding.

Methodology

The Texas Higher Education Coordinating Board (THECB) estimates an additional 1.6 million contact hours per semester would be eligible for formula funding. Applying the current annual contact hour rate of \$2.69 to the semesters that continuing education courses are offered results in an estimated annual formula cost of \$13.0 million in General Revenue.

Local Government Impact

This analysis assumes that the increased contact hours available for funding under the provisions of the bill could result in an increase in formula funding. However, without knowing which programs would be offered under the expanded definition for potential students, these fiscal implications of the bill are unknown at this time.

Source Agencies: 781 Higher Education Coordinating Board

LBB Staff: UP, THo, DEH, ESC

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

May 24, 2017

TO: Honorable Joe Straus, Speaker of the House, House of Representatives

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB2994 by Ashby (Relating to workforce continuing education offered by public junior colleges.), As Passed 2nd House

Estimated Two-year Net Impact to General Revenue Related Funds for HB2994, As Passed 2nd House: a negative impact of (\$300,000) through the biennium ending August 31, 2019. There is an impact of \$0 through the biennium ending August 31, 2019 for the formula funding provisions of the bill.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2018	(\$200,000)
2019	(\$100,000)
2020	(\$14,115,711)
2021	(\$14,614,461)
2022	(\$15,113,211)

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from General Revenue Fund
2018	(\$200,000)
2019	(\$100,000)
2020	(\$14,115,711)
2021	(\$14,614,461)
2022	(\$15,113,211)

Fiscal Year	Change in Number of State Employees from FY 2017
2018	1.0
2019	1.0
2020	1.0
2021	1.0
2022	1.0

Fiscal Analysis

The bill would amend the Education Code to allow contact hours attributable to the enrollment of a student in a workforce continuing education course to be included in formula funding. Currently, these hours are not included in formula funding. This assumed cost to General Revenue would not be seen until at least fiscal year 2020, as formula funding is provided to institutions based on student data prior to the biennium to be funded. Under the provisions of the bill, contact hours earned by students in workforce continuing education courses would be eligible for formula funding regardless of whether tuition and fees were wholly or partially waived.

The bill would also amend the Education Code to allow a public community college to waive all or part of the tuition and fees charged for a workforce continuing education course for certain students, if all or a portion of the costs are covered by local entities, or if the course is taught in a federal correctional facility. The contact hours earned by students whose tuition and fees are waived would be eligible for formula funding.

The bill would require the Higher Education Coordinating Board (THECB) to establish and administer a grant program to encourage faculty at institutions of higher education to adopt and develop courses that use only open educational resources. Under the program, a faculty member of an institution of higher education could apply to the Board for a grant to adopt, modify or redesign a course at the institution to exclusively use open educational resources. Under provisions of the bill, the Board may not award a grant under the program to a faculty member of a postsecondary educational institution other than an institution of higher education. The Board would submit a report regarding the program to the governor, lieutenant governor, speaker of the house of representatives, and each standing legislative committee with primary jurisdiction over higher education by December 1 of each even-numbered year.

Under provisions of the bill, THECB may not use appropriated funds in an amount greater than \$200,000 for purposes of the program in the state fiscal biennium ending August 31, 2019. THECB may use any amount of other funds available for those purposes. This section would expire December 1, 2019.

The bill would require THECB, in collaboration with the Texas Education Agency, public institutions of higher education and school districts, to conduct a study to determine the feasibility of creating a state repository of open educational resources. The study would have to include: 1) methods for facilitating public access to open educational resources, 2) the resources needed to create the repository, and 3) any potential challenges in creating the repository. THECB would submit the report regarding the results of the study to the Governor, Lieutenant Governor, Speaker of the House of Representatives, and each standing legislative committee with primary jurisdiction over higher education by September 1, 2019.

Under provisions of the bill, THECB may not use appropriated funds in an amount greater than

\$100,000 for purposes of the study. THECB may use any amount of other available funds for the purposes of the study and may solicit gifts, grants and donations for that purpose.

Methodology

The Texas Higher Education Coordinating Board (THECB) estimates an additional 1.6 million contact hours per semester would be eligible for formula funding. Applying the current annual contact hour rate of \$2.69 to the semesters that continuing education courses are offered results in an estimated annual formula cost of \$13.0 million in General Revenue.

The costs associated with the new program and study are limited to \$300,000 for the 2018-19 biennium as reflected in the tables above. These funding limitations will expire in fiscal year 2019. Beginning in fiscal year 2020, it is assumed that grant awards would increase. Based on information provided by THECB regarding similar open educational resources programs in other states, it is assumed that the award amount under the new program would be \$2,500 per fiscal year. It is also assumed that six faculty at each participating public higher education institution would receive an award. Beginning in fiscal year 2020, it is estimated that 50 percent of the 133 eligible public institutions would participate in the program and the faculty at these institutions would receive grants totaling \$997,500. In fiscal year 2021, it is assumed that participation in the program would increase to 75 percent and the cost of the program would increase to \$1,495,250. By fiscal year 2022, it is assumed that 100 percent of eligible institutions would participate in the program at a total cost of \$1,995,000.

Administrative costs for THECB associated with the new program are estimated to be \$60,980 for salaries, wages and benefits for 1 FTE, and \$18,255 in other costs beginning in fiscal year 2018.

Local Government Impact

This analysis assumes that the increased contact hours available for funding under the provisions of the bill could result in an increase in formula funding. However, without knowing which programs would be offered under the expanded definition for potential students, these fiscal implications of the bill are unknown at this time.

Source Agencies: 781 Higher Education Coordinating Board

LBB Staff: UP, ESC, GO, THo, DEH

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

May 17, 2017

TO: Honorable Kel Seliger, Chair, Senate Committee on Higher Education

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB2994 by Ashby (Relating to workforce continuing education offered by public junior colleges.), **Committee Report 2nd House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2994, Committee Report 2nd House, Substituted: an impact of \$0 through the biennium ending August 31, 2019. However, beginning in 2020-21 there would be an estimated negative impact of (\$26,077,952).

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2018	\$0
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funding regardless of whether tuition and fees were wholly or partially waived.

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LBB Staff: UP, THo, DEH, ESC

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

May 15, 2017

TO: Honorable Kel Seliger, Chair, Senate Committee on Higher Education

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB2994 by Ashby (Relating to workforce continuing education offered by public junior colleges.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2994, As Engrossed: an impact of \$0 through the biennium ending August 31, 2019. However, beginning in 2020-21 there would be an estimated negative impact of (\$26,077,952).

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The bill would also amend the Education Code to allow a public community college to waive all or part of the tuition and fees charged for a workforce continuing education course for certain students, if all or a portion of the costs are covered by local entities, or if the course is taught in a federal correctional facility. The contact hours earned by students whose tuition and fees are waived would be eligible for formula funding.

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LBB Staff: UP, THo, DEH, ESC

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

March 28, 2017

TO: Honorable J. M. Lozano, Chair, House Committee on Higher Education

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB2994 by Ashby (Relating to workforce continuing education offered by public junior colleges.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2994, As Introduced: an impact of \$0 through the biennium ending August 31, 2019. However, beginning in 2020-21 there would be an estimated negative impact of (\$26,077,952).

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LBB Staff: UP, THo, DEH, ESC