

- SUBJECT:** Transferring adult education from TEA to TWC
- COMMITTEE:** Economic and Small Business Development — committee substitute recommended
- VOTE:** 7 ayes — J. Davis, Vo, Bell, Y. Davis, Murphy, Rodriguez, Workman
0 nays
2 absent — Isaac, Perez
- WITNESSES:** For — Steve Ahlenius, McAllen Chamber of Commerce; Wanda Garza, South Texas College; Meg Poag, Literacy Coalition of Central Texas; Sheri Suarez Foreman, Houston Center for Literacy; (*Registered, but did not testify*: Melody Chatelle, United Ways of Texas; Lori Donley, Literacy Texas; Steven Johnson, Texas Association of Community Colleges)

Against — None

On — Mary Isabel Garcia; Yvonne ‘Bonnie’ Gonzalez, Workforce Solutions; Leslie Helmcamp, Center for Public Policy Priorities; Cristy Kitchen; Jan Lindsey, TEA; Melissa Sadler Nitu, Texas Council of Adult Basic Education; Sharon Stjohn; Larry Temple, TWC; Greg Vaughn, Texas Association of Workforce Boards
- BACKGROUND:** The Texas Education Agency (TEA) develops and administers the comprehensive adult education program under Education Code, ch. 29, subch. H. This program emphasizes literacy and the attainment of general educational development (GED) high-school equivalency certificates by participants.
- DIGEST:** CSHB 362 would transfer the adult education and literacy programs from TEA to TWC.
- Granting TWC authority over programs.** The bill would give TWC authority to administer adult education and literacy programs. Specifically, TWC would have to:
- provide staffing for the statewide adult education program;

- coordinate comprehensive adult education and skills training with other public and private organizations in the development of related programs;
- administer accreditation and teacher certification for adult education;
- adopt a standardized assessment mechanism for assessing the needs of participants in the program; and
- monitor the educational and employment outcomes of participants and report these findings to the Legislature every two years prior to the beginning of session.

The bill would require that adult education be provided through school districts, community colleges, and other organizations. Bilingual education could be used when it was necessary for a student's development.

The adult education assessment developed by TWC would have to include an initial basic skills screening and provide information about baseline skills before and after participation in the program. TWC would be required to consult with TEA and the Texas Higher Education Coordinating Board (THECB) in aligning its assessment mechanism with those used by higher education institutions so that a student was properly placed in adult basic education or appropriate developmental coursework.

TWC would be required to create an advisory committee made up of people with expertise in adult education, such as adult educators, advocates, providers, and nonprofit leaders. The committee would have a maximum of nine members, including at least one representative of the business community and one of a local workforce development board. The committee would report to TWC at least annually and advise the commission on the following aspects of the program:

- program priorities for developing an educated and skilled workforce in the state;
- curriculum guidelines and standards to ensure a balance of education and workplace skills development;
- improvement of student transitions to postsecondary education and technical education training;
- collection of data on program outcomes through a centralized system; and
- exploration of potential partnerships with nonprofits, businesses, and other entities to improve literacy programs.

The committee would be exempt from the standard state law requirements under the Government Code for state agency advisory committees.

Funding. The bill would require state appropriations to implement the statewide adult education program. These funds would go toward implementing adult basic education, adult bilingual education, high school equivalency, and high school credit programs geared toward eliminating illiteracy and supporting the range of adult education and skills training needs in the state. TWC would have to ensure that providers, from school districts to nonprofit agencies, had equitable access to the funds. Contracts to program providers would have to be awarded through a competitive bidding process.

The Legislature could appropriate additional funds for TWC to provide skills training in support of economic development in TWC-designated locations, industries, and occupations. This skills training would have to support the purposes of the adult education program. The Legislature also could appropriate funds for TWC to provide skills training to encourage increased civilian employment opportunities on U.S. military bases.

TWC would implement performance incentive funding. In annually awarding funds to entities providing adult education services, the agency would be required to reward entities with exemplary performance in delivering services. TWC would be required to establish criteria to evaluate the performance of entities and adopt procedures for taking corrective action against an entity that failed to satisfy these performance criteria, such as discontinuing a funding award.

Repealed provisions and other statutory changes. The bill would repeal Labor Code, ch. 312, which establishes the Interagency Literacy Council to study adult literacy needs of the state and review adult literacy programs administered by TEA, TWC, and THECB.

The bill would amend the Labor Code to add adult education and literacy activities to the list of programs for which TWC could implement a need-based method of allocating federal funds. It also would include the Workforce Investment Act of 1998 as a source of federal funding. In utilizing the need-based method for allocating funds to local workforce development boards, TWC would have to ensure compliance with relevant federal laws, ensure full utilization of available federal funds, and achieve

integrated education and training. The bill would exempt the adult education and literacy programs from statutory provisions related to block grants provided to local workforce development boards.

CSHB 362 would amend or repeal several sections of Education Code, ch. 29, subch. H. to remove TEA's authority to administer the adult education program. It also would remove the authority of the State Board of Education to adopt rules for the program.

Transition provisions. The bill would require that the adult education and literacy programs be transferred to the TWC by January 1, 2014. At least 60 days before the transfer, TEA and TWC would have to enter into a memorandum of understanding that included a timetable and specific steps for TWC to assume authority over items such as contracts and unspent funds relating to the programs. Measures also would be included to prevent any unnecessary disruptions to local adult education and literacy programs.

The bill would take effect on September 1, 2013.

**SUPPORTERS
SAY:**

CSHB 362 appropriately would transfer adult education and literacy programs to TWC, the mission of which is to ensure that the state has a highly skilled, well trained workforce. Texas is falling behind in getting its workforce equipped for high-demand jobs that pay enough to support a family. Certain areas of the state with high dropout rates and low numbers of people with associate's degrees are missing out on opportunities to attract employers. CSHB 362 would be a positive step in the effort to reverse this trend. The bill also would allow TEA to focus more on its mission of ensuring the delivery of high-quality primary and secondary education.

Allowing TWC to assume responsibility for adult education would ensure more effective oversight and more targeted use of the state's adult education funds. With 3,000 employees statewide, TWC is better equipped than TEA to administer this program. Adults seeking employment naturally go through TWC programs, and it makes sense that they would receive education from TWC as well. Community colleges, for example, already work with workforce development boards through the skills development program and are well positioned to also provide adult basic education.

One in five Texas adults does not have a high school diploma. The adult education program currently reaches only a small percentage of that population, estimated at a mere 3 percent in 2011. Any disruption to the program from the bill would be more than justified by improvements to the education of adults who do not have the credentials they need.

CSHB 362 would create an adult education advisory committee, which would provide independent, external advice to TWC on best practices. It also would provide community-based organizations' input into the program. Both would assist TWC in developing an educated and skilled workforce.

TEA does not administer grants in a competitive manner focused on results. It has issued continuation grants to the same 55 provider cooperatives for the past 10 years, which prevents advances in performance sparked by competition. The bill would address this issue by having TWC establish a performance-based funding mechanism when delivering adult basic education funds.

Under the bill, education service centers would remain eligible to provide adult basic education services to students in rural areas and likely would be providers in the absence of a local workforce center. TWC has no plans to remove public school districts and educational service centers as providers.

**OPPONENTS
SAY:**

Adult education and literacy programs should remain at TEA, which has valuable experience administering grants for adult basic education. It takes time for an agency to learn how to administer funds on time and fulfill reporting requirements. In addition, there are numerous federal regulations affecting the adult education program. Changes to the adult education program should be made with caution.

Delivering quality services to rural communities is challenging. Students in rural areas frequently meet with their adult basic education teachers in public school buildings. In some cases, students in these areas do not live close to a workforce development center and may lack adequate funds for transportation. If adult education funding were transferred from TEA, schools might be less willing for adult students to use their buildings free of charge. Adult basic education providers do not have adequate funds to pay for the use of facilities.

NOTES:

CSHB 362 differs from the bill as filed in that the committee substitute would:

- include public school districts, public junior colleges, and regional education service centers in the list of entities that provide adult education programs, while removing public universities;
- include nonprofit leaders in the list of potential advisory committee members;
- require that at least one business representative and at least one local workforce development board representative serve on the advisory committee;
- add subject areas about which the advisory committee would advise TWC; and
- require TWC to develop and implement performance-based funding for adult education providers.

The companion bill, SB 307 by Huffman, passed the Senate on April 8 and was reported favorably as substituted by the House Economic and Small Business Development Committee on April 17.