

Amendment No. 1 to SB1937

Roberts
Signature of Sponsor

AMEND Senate Bill No. 1937*

House Bill No. 2178

by deleting all language after the enacting clause and substituting:

SECTION 1. Tennessee Code Annotated, Title 4, Chapter 3, Part 14, is amended by adding the following as a new section:

4-3-1413.

(a) There is created a high-value workforce readiness grant program. The grant program is administratively attached to the department of labor and workforce development.

(b) The grant program, with guidance from the state workforce development board, shall:

(1) Annually identify high-demand, high-wage fields in this state for which increasing access to industry-recognized credentials would benefit the workforce climate of this state. The grant program shall consider the industry demands of this state using the workforce database or workforce information as a guide, and the average wages or salary of individuals who are currently employed in high demand fields in identifying high-demand fields for purposes of § 49-4-703;

(2) Identify the skill sets required for an individual to succeed in each high-demand field identified by the board pursuant to subdivision (b)(1);

(3) Annually recommend to the department of labor and workforce development a list of the qualified institutions, as defined in § 49-4-703, that offer workforce programs in high-demand fields for purposes of the high value

workforce readiness grant program established in § 49-4-703. The board shall consider the following metrics when recommending qualified institutions:

(A) Program content and completion data; and

(B) Program job placement data;

(4) Annually determine the grant amount per contact hour or credit hour for each high value workforce readiness grant awarded pursuant to § 49-4-703; and

(5) Conduct or direct the research required for the department of labor and workforce development to prepare the report required in § 49-4-703(f).

SECTION 2. Tennessee Code Annotated, Title 49, Chapter 4, Part 7, is amended by adding the following as a new section:

49-4-703.

(a) As used in this section:

(1) "Ability to benefit test" means a test approved by the department that is administered to an individual to determine whether the individual possesses the competencies necessary to benefit from postsecondary education;

(2) "Commission" means the Tennessee higher education commission;

(3) "Department" means the department of labor and workforce development;

(4) "High-demand field" means a high-demand field identified by the high value workforce readiness grant program pursuant to § 4-3-1413;

(5) "Qualified institution" means:

(A) A private, nonprofit technical school that is located in this state and that:

(i) Offers coursework to enrolled students that is designed to prepare students for passage of an industry-recognized credential exam, and such coursework constitutes at least fifty

percent (50%) of the coursework provided by the school and is offered to enrolled students in an in-person or synchronous online instructional setting;

(ii) Requires students enrolled in the coursework described in subdivision (a)(5)(A)(i) to take an industry-recognized credential exam for the students' respective program in order to be eligible for graduation;

(iii) Is audited annually by an independent certified public accountant or public accountant; and

(iv) Has continuously operated in this state as a private, nonprofit technical school for no less than the three-year-period immediately preceding the date on which the school first became eligible to receive grant funds awarded to students pursuant to this section; or

(B) A public institution of higher education governed by the Tennessee board of regents; and

(6) "Qualified student" means a resident of this state who:

(A) Has obtained a high school diploma or a high school equivalency credential approved by the state board of education but who has not earned an associate or baccalaureate degree;

(B) Has not obtained a high school diploma or a high school equivalency credential approved by the state board of education, but who has demonstrated workforce readiness by earning a passing score on the ability to benefit test approved by the department; or

(C) Earned an associate or baccalaureate degree five (5) or more years before the date on which the individual applies for a grant pursuant to this section, if the individual is employed and:

(i) Reported for the year immediately preceding the year in which the individual submits an application for a grant pursuant to this section, an income that did not exceed seventy-five percent (75%) of the median income earned by Tennessee residents who were employed in this state for the respective year, as calculated and reported by the department of labor and workforce development; and

(ii) Is not employed in the field or industry for which the individual will complete a program of coursework at a qualified institution for purposes of obtaining a new credential.

(b) The department shall administer a high-value workforce readiness grant program to award grants to qualified students who are enrolled in a qualified institution authorized by the commission.

(c)

(1) The department shall award grants to qualified students who are enrolled in a workforce program at a qualified institution that meets the requirements of subsection (b) for the qualified student to obtain a credential in a high-demand field, if the qualified student:

(A) Submits a grant application to the department;

(B) Only uses grant funds received pursuant to this section to obtain a workforce credential in a high-demand field;

(C) Maintains continuous enrollment in the qualified institution;

(D) Maintains satisfactory academic progress for the qualified student's selected workforce program, as determined by the qualified institution, in conjunction with the department and the commission; and

(E) Has not attempted more than one hundred seventy-five (175) contact hours, or the equivalent number of credit hours, at a qualified institution while receiving a grant under this section.

(2) A qualified student is not required to complete the FAFSA, as defined in § 49-4-902, in order to be eligible for a grant awarded pursuant to this section.

(d)

(1) The department shall award a qualified student who meets the requirements of this section, and who enrolls in a qualified institution that meets the requirements of subsection (b), a grant in the amount determined by the high value workforce readiness grant pursuant to § 4-3-1413.

(2) If a student enrolls in a qualified institution described in subdivision (a)(5)(A), then:

(A) The department shall not award grant funds to the qualified student pursuant to this section until the student completes twenty percent (20%) of a course required for the qualified student's selected program of study, at which time the department shall award the student fifty percent (50%) of the grant award amount for the course; and

(B) The department shall award the qualified student the remaining fifty percent (50%) of the grant award amount for the course when the student completes one hundred percent (100%) of the course.

(e) Notwithstanding § 4-3-1413 and subsection (d), and subject to appropriation, the department may adjust the grant amount that may be awarded to a qualified student per contact hour based on program utilization and need.

(f)

(1) The department shall submit a report on the effectiveness of the high value workforce readiness grant program to the governor and the general assembly no later than October 31, 2027, and by each October 1 thereafter.

(2) The report must include:

(A) For grant recipients:

(i) Graduation rates;

(ii) Job placement rates;

(iii) Program retention rates;

(iv) Wage or salary increases;

(v) The number of recipients who go on to be entrepreneurs, if such information is available;

(vi) Average wages of recipients following job placements;

(vii) The industry in which the recipients earned a credential;

(viii) The time it took for recipients to complete the program; and

(ix) The total number of credentials earned by recipients.

(B) The effect the grant program has had on the high-demand fields and workforce in each region in which grants have been awarded;

(C) The total cost of the grant program; and

(D) Any recommended adjustments to:

(i) The annual state appropriations to the department for purposes of the grant program; and

(ii) The grant amount awarded per contact hour.

SECTION 3. The department of labor and workforce development and the Tennessee higher education commission may promulgate rules to effectuate this act. The rules must be promulgated in accordance with the Uniform Administrative Procedures Act, compiled in Title 4, Chapter 5, of the Tennessee Code Annotated.

SECTION 4. Sections 1 and 3 of this act take effect upon becoming a law, the public welfare requiring it. Section 2 of this act takes effect July 1, 2024, the public welfare requiring it.