

## **BILL ANALYSIS**

Senate Research Center

H.B. 3116  
By: Greenberg (Ellis)  
Health & Human Services  
5-17-97  
Committee Report (Amended)

### **DIGEST**

Welfare reform legislation passed on both the state and federal level has created intense financial and political pressure to move welfare recipients into the workforce. One approach that is available to facilitate this process is subsidized employment. In a subsidized employment situation, the government, in an attempt to attract private sector participation, confers a benefit on an employer for the hiring and/or training of an individual currently receiving cash assistance benefits. This benefit can take the form of a direct wage subsidy, a tax credit, or a requirement that the participant work for the employer in exchange for the benefits that the participant receives. H.B. 3116 aims to ensure that any public money expended in a subsidized employment situation truly benefits the community, rather than becoming a way for employers to attain cheaper labor costs. This legislation protects low-wage workers from displacement by subsidized employment programs and protects participants in these programs from violations of state and federal labor laws.

### **PURPOSE**

As proposed, H.B. 3116 establishes provisions regarding work supplementation programs for certain welfare recipients.

### **RULEMAKING AUTHORITY**

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Chapter 2308G, Government Code, by adding Section 2308.314, as follows:

Sec. 2308.314. PARTICIPATION IN WORK SUPPLEMENTATION PROGRAMS; DISPLACEMENT OF EMPLOYEES PROHIBITED. Prohibits an employer from hiring a welfare recipient under a work supplementation program if the hiring will result in the displacement of an employee from an existing position, will result in the elimination of a vacant position created by the layoff of an employee in the preceding 30 days, or is the result of a strike. Provides that a participant in a work supplementation program is considered an employee; is entitled to receive compensation; and is entitled to the same rights as the employer's other employees under any applicable grievance procedures. Prohibits an employer participating in a work supplementation program from requiring as a condition of employment that an employee join or refrain from joining a labor organization. Provides that this section does not create or authorize a cause of action against an employer. Defines "participant," "welfare recipient," and "work supplementation program." Requires the Texas Workforce Commission to prepare and issue an assessment of the impact of this section on the ability of recipients of public assistance to obtain employment to certain persons by a set date. Provides that this section expires September 1, 2003.

SECTION 2. Sets forth the terms by which a state agency is required to request a waiver or authorization from a federal agency and may delay implementing certain provisions until the waiver or authorization is granted.

SECTION 3. Provides that this Act does not apply to certain work supplementation programs or certain volunteer work experience programs.

SECTION 4. Effective date: September 1, 1997.

SECTION 5. Emergency clause.

**SUMMARY OF COMMITTEE CHANGES**

Amendment 1.

Between Page 2, line 27 and page 3, line 1, inserts new Subsections (f) and (g), to require the Texas Workforce Commission to prepare and issue to certain persons an assessment of the impact of this section on the ability of recipients of public assistance to obtain employment. Provides that this section expires September 1, 2003.

\* It is the drafter's intent that the "commission" refer to the Texas Workforce Commission.

Amendment 2.

Page 1, line 15, strikes "90" and substitutes "30".

Page 1, lines 20-23, strikes Subdivision (2), which provides that a participant in a work supplementation program is entitled to receive sick leave, vacation, and paid holidays or other pay to the same extent as other employees.