

## **BILL ANALYSIS**

Senate Research Center

H.B. 3512  
By: Greenberg (Barrientos)  
State Affairs  
5-17-97  
Engrossed

### **DIGEST**

Currently, many state agencies are reducing the number of employees to comply with budget reductions and efficiency measures. State agencies are also privatizing functions formerly provided by state employees. There are concerns that because state agencies are a significant part of many local economies, a large reduction in force (RIF) or privatization effort could have a major impact on communities in Texas. This bill requires state agencies to provide a hiring preference for state employees who lose their jobs because of RIF or privatization of state services and provides certain benefits for those state employees who retire.

### **PURPOSE**

As proposed, H.B. 3512 provides assistance or benefits to state employees who lose their jobs as a result of a reduction in force (RIF) or the privatization of state services, or who retire.

### **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 Title 6B, Government Code, by adding Chapter 666, as follows:

#### **CHAPTER 666. EMPLOYMENT PREFERENCES FOR FORMER STATE EMPLOYEES**

Sec. 666.001. DEFINITION. Defines "state agency."

Sec. 666.002. STATE EMPLOYMENT PREFERENCE. Sets forth a provision stating that certain former state employees are entitled to a preference in employment with or appointment to a state agency.

Sec. 666.003. OUTPLACEMENT SERVICES. Requires the Texas Workforce Commission to establish a program to offer outplacement services to former employees of certain state agencies. Requires the outplacement services offered under Subsection (a) to include certain services. Authorizes the Texas Workforce Commission to contract with a private enterprise to provide the outplacement services under this section.

SECTION 2. Amends Chapter 814B, Government Code, by adding Section 814.1041, as follows:

Sec. 814.1041. RETIREMENT INCENTIVE FOR EMPLOYEE CLASS. Sets forth the criteria for retirement of a member of the employee class. Sets forth the eligibility requirements for an employee to retire under this section. Provides that this section does not apply to retirement under Section 814.107. Sets forth certain duties for the comptroller with regard to the legislative appropriations of the entity by which the retiring member was employed. Prohibits the comptroller from reducing appropriations under Subsection (e) if the retiring member's position was eliminated because of the privatization of certain services. Provides that this section applies only to a member of the employee class whose position was eliminated under certain conditions. Provides that this section expires September 1, 1999.

SECTION 3. Amends Section 9.12, Chapter 655, Acts of the 74th Legislature, Regular Session, 1995, by adding Subsection (f), regarding a contract under this section between the commission and a private firm.

SECTION 4. Amends Chapter 2254A, Government Code, by adding Section 2254.006, as follows:

Sec. 2254.006. CONTRACT FOR PROFESSIONAL SERVICES OF FORMER STATE EMPLOYEE. Prohibits a state agency from entering into a contract for the provision of professional services with a former state employee who has retired under Section 814.1041 not more than 12 months before the date of the contract. Provides that this section expires September 1, 2000.

SECTION 5. Amends Chapter 2254B, Government Code, by adding Section 2254.0261, as follows:

Sec. 2254.0261. CONTRACT FOR CONSULTING SERVICES OF FORMER STATE EMPLOYEE. Makes a conforming change.

SECTION 6. Effective date: September 1, 1997.

SECTION 7. Emergency clause.