

BILL ANALYSIS

Senate Research Center

S.B. 1262
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Health & Human Services
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As Filed

DIGEST

Currently, the federal Personal Responsibility and Reconciliation Act of 1996 requires states to provide 20 hours of work activities for 25 percent of their public assistance recipients in fiscal year 1997. However, by 2002, states must have 50 percent of welfare recipients working at least 30 hours a week. The federal welfare law defines eligible work activities as unsubsidized employment, subsidized private or public employment, work experience, on-the-job training, job search and job readiness activities, community service programs, vocational education programs, job skills training, and satisfactory attendance of secondary school for recipients who have not completed high school. Other states such as California, New York, and Oregon have had success using subsidized programs for on-the-job training for Aid to Families with Dependent Children recipients. This legislation directs the Texas Workforce Commission (TWC) to establish a pilot program to provide on-the-job training and other employment services for recipients of public assistance, in an effort to improve the long-term success of participants in job-training programs by providing ongoing job-retention and reemployment assistance. S.B. 1262 also directs TWC to work with the Texas Skills Standards Board to develop guidelines for the approval of employer training courses.

PURPOSE

As proposed, S.B. 1262 creates and establishes the operation of a pilot program to provide employment and training for certain persons on public assistance.

RULEMAKING AUTHORITY

Rulemaking authority is granted to the Texas Workforce Commission in SECTION 1 (Section 309.004(a), Labor Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Title 4B, Labor Code, by adding Chapter 309, as follows:

CHAPTER 309. PILOT WORK PROGRAM FOR PUBLIC ASSISTANCE RECIPIENTS

Sec. 309.001. DEFINITIONS. Defines "division," "employer," "JOBS training program," "local workforce development board," "pilot program," "trainee," and "training course."

Sec. 309.002. PILOT PROGRAM. Requires the division of workforce development of the Texas Workforce Commission (division) to establish a pilot program that provides on-the-job training and other employment services for certain persons who receive food stamps, financial assistance, and are eligible to participate in the JOBS training program. Requires the pilot program to be operated through courses conducted by participating employers, and to offer direct work experience and skills training. Requires the pilot program to be offered in an area of the state designated by the division. Sets forth the terms by which an employer in the area is authorized to elect to participate. Requires the pilot program to include ongoing job-retention and reemployment assistance for a participant who obtains part-time employment after completing the program.

Sec. 309.003. TRAINING COURSES; APPROVAL. Sets forth the terms by which each training course is required to be designed by a local participating employer to meet the needs

of that employer.

Sec. 309.004. POWERS AND DUTIES OF COMMISSION; DIVISION. Requires the Texas Workforce Commission (TWC) to adopt rules as necessary to implement the pilot program, including establishing the criteria for participation. Requires TWC, with the cooperation of the Texas Skills Standards Board, to develop guidelines for the approval of employer training courses. Requires the Department of Human Services (DHS) to provide to TWC and a local workforce development board information and technical assistance.

Sec. 309.005. TRAINING STIPEND; PAYROLL TAXES. Requires the state to pay a monthly training stipend in a certain amount and in the manner prescribed by Subsection (c) to each trainee who demonstrates satisfactory participation in an approved training pilot program. Sets forth the terms by which the stipend does not constitute income to the trainee, and by which a trainee is entitled to full JOBS, financial assistance, and food stamp benefits during the pilot program. Provides that an employer who participates in the pilot program is not liable for the payment of payroll taxes or contributions to the unemployment compensation system for a trainee and is not obligated to provide workers' compensation insurance coverage, health insurance coverage, or retirement or pension benefits for the trainee. Establishes that an employer is responsible to the JOBS training program only for quality training, skills certification, and reporting of attendance.

SECTION 2. Amends Chapter 31A, Human Resources Code, by adding Section 31.0037, as follows:

Sec. 31.0037. EARNED INCOME FROM WORK PROGRAM. Prohibits DHS from considering any income earned by a recipient of financial assistance under the pilot work program for purposes of determining the amount of financial assistance granted to an individual for the support of dependent children, or whether the family meets household income and resource requirements for financial assistance.

SECTION 3. Establishes the conditions under which a state agency is required to request a waiver or authorization, and is authorized to delay implementing a provision.

SECTION 4. Makes application of this Act prospective, regardless of the date on which eligibility for food stamps or financial assistance was determined.

SECTION 5. Requires TWC to submit an initial report to the governor and the legislature not later than January 15, 1999, and a subsequent report not later than January 15, 2001.

SECTION 6. (a) Effective date: September 1, 1997.

(b) Requires TWC to establish the pilot program not later than January 1, 1998.

SECTION 7. Provides that Chapter 309, Labor Code, expires September 1, 2001.

SECTION 8. Emergency clause.