

BILL ANALYSIS

Senate Research Center

S.B. 1494
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Health & Human Services
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As Filed

DIGEST

Currently, welfare reform legislation passed on both the state and federal level has created pressure to move welfare recipients into the workforce. One approach that is available to facilitate this process is subsidized employment, whereby 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. Subsidized employment 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 benefits that the participant receives. This legislation aims to ensure that any public money expended in a subsidized employment situation truly benefits the employers, recipients, and communities they seek to serve, rather than providing a way for employers to attain cheaper labor in low-wage, unskilled occupations.

PURPOSE

As proposed, S.B. 1494 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 WAGE SUPPLEMENTATION PROGRAMS; DISPLACEMENT OF EMPLOYEES PROHIBITED. Prohibits an employer from hiring a welfare recipient under a wage supplementation program if the hiring will impair an existing collective bargaining agreement; or will result in the displacement or partial displacement of an employee from an existing position, the elimination of a vacant position created by the layoff of an employee in the previous 90 days, the elimination of a position that would otherwise be a promotion for an existing employee, or a hiring freeze. Provides that a participant in the work supplementation program is considered an employee; entitled to sick leave, vacation, and paid holidays, or other pay; and entitled to receive compensation at a certain rate. Defines "participant," "welfare recipient," and "work supplementation program."

SECTION 2. Effective date: September 1, 1997.

SECTION 3. Emergency clause.