

BILL ANALYSIS

Senate Research Center

S.B. 1692
By: Ellis
Economic Development
6-27-97
As Filed

DIGEST

Currently, local workforce development boards (boards) are authorized to contract out certain job training services to private entities. Concerns have been raised regarding the impact of contracting out such services on both state employees and clients and whether the use of private entities will result in significant cost savings. This bill prohibits a board from contracting with a private entity to provide certain job training services unless the bid offered by that private entity to provide those services is at least 10 percent lower than the cost to receive those services from a state entity. The bill also requires local Texas Workforce Commission offices to provide boards with an annual expenditure report.

PURPOSE

As proposed, S.B. 1692 prohibits a local workforce development board from contracting with a private entity to provide certain job training services unless the bid offered by that private entity to provide those services is at least 10 percent lower than the cost to receive the services from a state entity. The bill also requires local Texas Workforce Commission offices to provide boards with an annual expenditure report.

RULEMAKING AUTHORITY

Rulemaking authority is granted to the Texas Council on Workforce and Economic Competitiveness and the Texas Workforce Commission in SECTION 1 (Section 2308.3037, Government Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 2308G, Government Code, by adding Sections 2308.3036 and 2308.3037, as follows:

Sec. 2308.3036. **CONTRACTS FOR CERTAIN SERVICES.** Prohibits a local workforce development board (board) from contracting with certain entities.

Sec. 2308.3037. **REPORTS OF EXPENDITURES BY STATE OFFICES.** Requires each Texas Workforce Commission (commission) office that participates in a state or federally funded workforce program in a local workforce development area to provide an accounting of all expenditures by the office associated with the delivery of services in the area. Sets forth requirements for the accounting. Requires the commission and the Texas Council on Workforce and Economic Competitiveness, by rule, to develop certain policies and procedures relating to the report.

SECTION 2. Effective date: September 1, 1997, except that an office of the Texas Workforce Commission is not required to make a report under this Act before January 1, 1998.

SECTION 3. Emergency clause.