

## **BILL ANALYSIS**

Senate Research Center  
77R2062 JMM-D

C.S.S.B. 429  
By: Lucio  
Business & Commerce  
3/22/2001  
Committee Report (Substituted)

### **DIGEST AND PURPOSE**

Currently, only three of the five Texas Workforce and Economic Competitiveness (TCWEC) council agencies are funding TCWEC activities, although state law requires that all five proportionally fund them. C.S.S.B. 429 authorizes the establishment of a proportional funding formula to enable equitable funding by the five council agencies; establishes two performance measures as part of the state's performance-based budgeting and accountability system for agencies with work force programs; and provides for the dissemination of workforce development system information over the Internet.

### **RULEMAKING AUTHORITY**

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

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 2308.065(b), Government Code, to require the Council on Workforce and Economic Competitiveness (council), with the governor's approval, to establish a funding formula to determine the level of support each agency must provide in participating in the workforce development system.

SECTION 2. Amends Section 2308.101, Government Code, as follows:

(b) Requires the council to provide the information required to be reported under Subsections (a)(13) and (14) and Section 2308.104(a) to the Texas Workforce Commission (commission). Requires the commission to include information provided under this subsection that relates to the administration and operation of the state's workforce development system with other information the commission provides to the public on the Internet. Deletes language regarding the Job Training Partnership Act (29 U.S.C. Section 1501 et seq.).

SECTION 3. Amends Section 2308.104, Government Code, as follows:

Sec. 2308.104. STRATEGIC PLAN. Requires the council to develop and recommend to the governor and report to the legislature a single strategic plan that establishes the framework for the budgeting and operation of the workforce development system, including school to careers and welfare to work components, administered by agencies represented on the council. Requires the council to annually report to the governor and the legislature on the implementation of the strategic plan.

(b) Requires the council to engage in strategic planning by developing two types of performance measures as described by Subsections (c) and (d). Requires that to the fullest extent possible, all measures be selected from those already developed and approved before September 1, 2001, by one or more state agencies that administer workforce programs. Authorizes the council to develop a new measure only if the council identifies a gap in accountability or determines that at least one state agency

administering a workforce program cannot report under the measures developed and approved before September 1, 2001.

(c) Provides that the first performance measures identifying outcomes that are essentially consistent across all workforce programs. Authorizes that job placement rates, job retention rates, and wage rates to be included among those measures. Authorizes the council to develop or select each formal measure in consultation with the state agencies required to report under this subsection. Provides that once approved by the governor and the LBB, a formal measure becomes part of the state's performance budget and accounting system and applies to each state agency that administers a workforce program.

(d) Provides that the second type of performance measure consists of less formal measures, to provide information determined by the council to be essential in development of the strategic plan under this section. Authorizes employer participation rates, customer satisfaction levels, and educational attainment to be included among those measures. Requires the council to develop or select each less formal measure with the approval of the governor and in consultation with the state agencies required to report under this subsection. Requires the LBB to provide technical assistance to the council to ensure that the measures and associated reporting criteria are consistent with the state's performance budget and accounting system. Authorizes the council to exempt a state agency that administers a workforce program from any requirement to use a less formal measure.

(e) Makes a conforming change.

(f) Requires the council to include in the council's strategic plans, rather than plan, goals, objectives, and performance measures for the workforce system that involve programs of all state agencies that administer workforce programs. Deletes language regarding the council.

(g) Makes conforming changes.

SECTION 4. Amends Section 2308.151, Government Code, by adding Subsection (c), as follows:

(c) Requires the council, with the approval of the governor, to establish a funding formula to determine the level of support each agency administering a workforce program must provide to operate the automated follow-up and evaluation system required by this section.

SECTION 5. Effective date: September 1, 2001.

Requires the council and the LBB to complete the development, review, and approval, as appropriate, of the performance measures required by Section 2308.104, Government Code, as amended by this Act, on or before September 1, 2002.

#### **SUMMARY OF COMMITTEE CHANGES**

SECTION 3. Amends As Filed S.B. 429, by adding language regarding use of already existing measures and the development of new measures. Amends As Filed S.B. 429, by adding language listing both formal measures and less formal measures.