

BILL ANALYSIS

Senate Research Center

H.B. 4065
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

While economic development initiatives encourage for-profit businesses to locate and expand in Texas, no such initiatives exist for nonprofit training centers to expand current operations and to provide greater outreach to applicable communities. Expansion for these centers often means financial loss to the nonprofit and leads to potential periods of financial instability.

A pilot program administered by the Texas Workforce Commission will demonstrate support for those organizations and promote employment and training opportunities for people who are chronically underserved and underemployed. This initiative may also create new retail stores to increase shopping options for people with low incomes and new training centers for people to develop skills necessary to go to work and to begin building careers toward self-sufficiency.

H.B. 4065 authorizes a qualified community workforce training center to apply for a grant which it can use toward costs of capital construction, expansion, or renovation for a permanent structure. This bill sets forth certain standards for that grant.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the Texas Workforce Commission in SECTION 1 (Section 302.015, Labor Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter A, Chapter 302, Labor Code, by adding Section 302.015, as follows:

Sec. 302.015. CONSTRUCTION OF JOB TRAINING AND EMPLOYMENT SERVICES FACILITIES; PILOT GRANT PROGRAM. (a) Defines "qualified workforce community training center."

(b) Authorizes the Texas Workforce Commission (TWC) to establish a pilot program under which TWC contracts with the Texas Association of Goodwills (association) for TWC to administer grants to reimburse qualified workforce training centers identified by the association for costs associated with the construction of new facilities that provide job training or employment services. Requires the contract entered into under this subsection to provide that TWC receives an administrative overhead fee of one percent of the amount of each grant awarded under the program and that each grant awarded under the program is funded on certain terms.

(c) Prohibits the total amount of grants awarded under this section from exceeding \$3 million.

(d) Authorizes TWC to adopt rules for the administration of this section.

(e) Requires TWC to report to the legislature, not later than January 1, 2009, regarding TWC's assessment of the effectiveness of any pilot program in creating and fostering economic development and TWC's recommendation regarding the continuance of that program.

(f) Provides that this section expires September 1, 2009.

SECTION 2. Effective date: upon passage or September 1, 2007.