

BILL ANALYSIS

Senate Research Center
86R20657 KKR-F

H.B. 700
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Natural Resources & Economic Development
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Established by the legislature and administered by the Texas Workforce Commission (TWC), the Skills Development Fund (fund) is Texas' premier job-training program. Leveraging collaboration among businesses, public community and technical colleges, workforce development boards, and economic development partners, the Skills Development Fund (SDF) provides local customized training opportunities for Texas businesses and workers to increase skill levels and wages of the Texas workforce.

According to TWC, in 23 years of operation, the fund has empowered 4,446 employees to create 116,065 jobs and further the skills of 256,885 already-employed workers. Upon completion of training, participating workers obtain advancement opportunities which allow for increased wages that meet or exceed the prevailing wage in their local communities. The hourly wages paid to workers trained through the fund has increased from \$10.33 in Fiscal Year 1996 to \$28.54 in Fiscal Year 2018.

Interested parties hold that allowing local workforce development boards and public libraries to utilize the training opportunities provided by the fund would, in turn, expand the scope of impact for this successful program and encourage professional development of workers who have a direct impact on their communities.

H.B. 700 amends current law relating to the use of the skills development fund by certain entities to allow development boards and public libraries to utilize the same training opportunities provided by the fund currently offered to public community and technical colleges and community-based organizations.

H.B. 700 amends current law relating to the use of the skills development fund by certain entities.

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 303.001(a), Labor Code, as follows:

(a) Provides that the purpose of this chapter (Skills Development Fund) is to remove administrative barriers that impede the response of certain entities, including local workforce development boards and public libraries, to industry and workforce training needs and to develop incentives for certain entities, including local workforce development boards and public libraries. Makes a nonsubstantive change.

SECTION 2. Amends Section 303.002(b), Labor Code, to read as follows:

(b) Authorizes a public community or technical college or the Texas A&M Engineering Extension Service, rather than the Texas Engineering Extension Service, to recover customized assessment and training costs incurred by the institution if:

(1) makes no changes to this subdivision; and

(2) makes a conforming change to this subdivision.

SECTION 3. Amends Sections 303.003(b), (f), (g), and (h), Labor Code, as follows:

(b) Authorizes the skills development fund to be used by certain entities, including local workforce development boards and public libraries. Makes a nonsubstantive change.

(f)-(h) Makes conforming changes to these subsections.

SECTION 4. Effective date: September 1, 2019.