

BILL ANALYSIS

Senate Research Center
85R4801 KSD-D

S.B. 634
By: Estes
Natural Resources & Economic Development
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The Skills Development Fund is a grant program administered by the Texas Workforce Commission (TWC). It funds job training programs performed by public community or technical colleges to fill specific workforce training needs. Programs are initiated through application to TWC by a company or consortium in partnership with the Texas A&M Engineering Extension Service or a public community or technical college.

Under current law, Skills Development Fund recipients are required to conduct a biennial program review and issue a report to TWC on their use of grant funds received. The report requires recipient entities to detail the effectiveness of "the program in improving the wages of participants" and "identify strategies...to more effectively impact economic development." Reporting entities results are utilized by TWC in formulation of its statutorily required report to the governor and legislature.

Despite a statutory requirement that all receiving entities furnish such a report, some have failed to do so. To better ensure compliance with the reporting requirement, S.B. 634 requires that an entity not in compliance return unexpended grant funds and renders it ineligible for subsequent funding until the required report is furnished.

As proposed, S.B. 634 amends current law relating to reporting requirements for certain skills development fund workforce training program providers.

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 the heading to Section 303.004, Labor Code, to read as follows:

Sec. 303.004. FUND REVIEW; REPORT BY CERTAIN WORKFORCE TRAINING PROVIDERS REQUIRED.

SECTION 2. Amends Section 303.004, Labor Code, by adding Subsection (c), as follows:

(c) Requires the Texas A&M Engineering Extension Service (TEEX) or a public community or technical college, if the service or college fails to submit a report required by Subsection (b)(2), to refund to the Texas comptroller of public accounts any state funds received by the service or college under this chapter for the state fiscal biennium in which the report was due. Prohibits the Texas Workforce Commission (TWC), if TEEX or a public community or technical college service or college fails to submit a report required by Subsection (b)(2), from awarding any additional grant to the service or college under this chapter until the service or college has complied with that reporting requirement.

SECTION 3. Provides that Section 303.004(c), Labor Code, applies beginning with reports due under Section 303.004(b)(2) (requiring TEEX and each public community or technical college

providing workforce training to submit a certain written report to TWC), Labor Code, not later than October 1, 2018.

SECTION 4. Effective date: September 1, 2017.