

## **BILL ANALYSIS**

C.S.H.B. 108  
By: Alvarado  
Economic & Small Business Development  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

Interested parties contend that the lack of workforce training and related support services in Texas discourages companies from relocating to Texas. C.S.H.B. 108 seeks to address this issue by facilitating rapid response workforce development services to employers seeking to expand in or move to Texas.

### **CRIMINAL JUSTICE IMPACT**

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that rulemaking authority is expressly granted to the Texas Workforce Commission in SECTION 1 of this bill.

### **ANALYSIS**

C.S.H.B. 108 amends the Labor Code to authorize the Texas Workforce Commission (TWC) to use the skills development fund to provide an intensive and rapid response to, and support services for, employers expanding in or relocating their operations to Texas, with a focus on recruiting employers who will provide complex or high-skilled employment opportunities in Texas, in addition to other authorized purposes. The bill authorizes the TWC to use funds available for the bill's purposes to provide leadership and direction to, and linkage among, out-of-state employers, economic development organizations, local workforce development boards, public junior colleges, and public technical institutes to address the employers' needs for recruitment and hiring for complex or high-skilled employment positions as necessary to facilitate employers' relocation to or expansion of operations in Texas. The bill authorizes the TWC to use funds available for the bill's purposes to award grants to a public junior college or public technical institute providing workforce training and related support services to employers who commit to establishing a place of business in Texas and sets out the purposes for which the grants may be used. The bill makes the executive director of the TWC, or a person appointed by the executive director who is knowledgeable in grant administration, responsible for the distribution of grant money under the bill.

C.S.H.B. 108 authorizes the TWC to solicit and accept gifts, grants, and donations from any public or private source for the purposes of the bill's provisions. The bill authorizes the TWC to require, as a condition of receiving grant money under the bill, that a recipient agree to repay the amount received and any related interest if the TWC determines that the money was not used for the purposes for which the money was awarded. The bill prohibits the use of grant money to pay any training costs or other related costs of an employer to relocate the employer's worksite from one location to another in Texas. The bill authorizes the TWC to adopt rules as necessary to implement the bill's provisions.

**EFFECTIVE DATE**

September 1, 2017.

**COMPARISON OF ORIGINAL AND SUBSTITUTE**

While C.S.H.B. 108 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and formatted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

**INTRODUCED**

SECTION 1. Subtitle B, Title 4, Labor Code, is amended by adding Chapter 316 to read as follows:

**CHAPTER 316. RECRUIT TEXAS PROGRAM**

**Sec. 316.001. DEFINITIONS.** In this chapter:

**(1) "Program" means the Recruit Texas Program established under this chapter.**

**(2) "Public junior college" and "public technical institute" have the meanings assigned by Section 61.003, Education Code.**

**Sec. 316.002. RECRUIT TEXAS PROGRAM.** (a) The Recruit Texas Program is established within the commission.

**(b) The purpose of the program is to provide an intensive and rapid response to, and support services for, employers expanding in or relocating their operations to this state, with a focus on recruiting employers who will provide complex or high-skilled employment opportunities in this state.**

**(c) Under the program, the commission shall provide leadership and direction to, and linkage among, out-of-state employers, economic development organizations, local workforce development boards, public junior colleges, and public technical institutes to address the employers' needs for recruitment and hiring for complex or high-skilled employment positions as necessary to facilitate employers' relocation to or expansion of operations in this state.**

**Sec. 316.003. GRANTS.** (a) Under the program, the commission may award grants to a public junior college or public technical

**HOUSE COMMITTEE SUBSTITUTE**

SECTION 1. Chapter 303, Labor Code, is amended by adding Section 303.0031 to read as follows:

**Sec. 303.0031. USE OF SKILLS DEVELOPMENT FUND TO RECRUIT CERTAIN EMPLOYERS.** (a) In this section,

**"public junior college" and "public technical institute" have the meanings assigned by Section 61.003, Education Code.**

**(b) In addition to the purposes described by Section 303.001, the commission may use the skills development fund to provide an intensive and rapid response to, and support services for, employers expanding in or relocating their operations to this state, with a focus on recruiting employers who will provide complex or high-skilled employment opportunities in this state.**

**(c) The commission may use funds available for the purpose of this section to:**

**(1) provide leadership and direction to, and linkage among, out-of-state employers, economic development organizations, local workforce development boards, public junior colleges, and public technical institutes to address the employers' needs for recruitment and hiring for complex or high-skilled employment positions as necessary to facilitate employers' relocation to or expansion of operations in this state; and**

**(2) award grants to a public junior college or public technical institute providing**

institute providing workforce training and related support services to employers who commit to establishing a place of business in this state. The grants may be used for:

(1) developing:

(A) customized workforce training programs for an employer's specific business needs;

(B) fast-track curriculum;

(C) workforce training-related support services for employers; or

(D) instructor certification necessary to provide workforce training; and

(2) acquiring training equipment necessary for instructor certification and employment.

(b) The executive director, or a person appointed by the executive director who is knowledgeable in the administration of grants, is responsible for the distribution of grant money under the program.

Sec. 316.004. FUNDING; USE OF FUNDS. (a) The commission, for the purposes of this section, may use:

(1) money appropriated to the commission; and

(2) money from other appropriate, statutorily authorized funding sources, including the Jobs and Education for Texans (JET) Grant Program under Chapter 134, Education Code.

(b) The commission may commit money under the program to an out-of-state employer contingent on the employer's establishment or expansion of business operations in this state.

(c) Under the program, money may not be used to pay any training costs or other related costs of an employer to relocate the employer's worksite from one location in this state to another location in this state.

Sec. 316.005. RULES.

The commission may adopt rules as necessary to implement this chapter.

workforce training and related support services to employers who commit to establishing a place of business in this state.

(d) A grant awarded under this section may be used only for:

(1) developing:

(A) customized workforce training programs for an employer's specific business needs;

(B) fast-track curriculum;

(C) workforce training-related support services for employers; or

(D) instructor certification necessary to provide workforce training; and

(2) acquiring training equipment necessary for instructor certification and employment.

(e) The executive director, or a person appointed by the executive director who is knowledgeable in the administration of grants, is responsible for the distribution of grant money under this section.

(f) The commission may solicit and accept gifts, grants, and donations from any public or private source for the purpose of this section.

(g) The commission may require, as a condition of receiving money under this section, that a recipient agree to repay the amount received and any related interest if the commission determines that the money was not used for the purposes for which the money was awarded.

(h) Money may not be used under this section to pay any training costs or other related costs of an employer to relocate the employer's worksite from one location in this state to another location in this state.

(i) The commission may adopt rules as necessary to implement this section.

SECTION 2. This Act takes effect  
September 1, 2017.

SECTION 2. Same as introduced version.