

By: Chavez

H.B. No. 2421

A BILL TO BE ENTITLED

AN ACT

relating to the establishment, operation, and funding of the Texas jobs program.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Chapter 302, Labor Code, is amended by adding Subchapter G to read as follows:

SUBCHAPTER G. TEXAS JOBS PROGRAM

Sec. 302.151. DEFINITIONS. In this subchapter:

(1) "Employer" means a person that employs one or more employees.

(2) "Existing employer" means an employer that:

(A) has been liable to pay contributions under Subtitle A for more than one year;

(B) has employees; and

(C) is in compliance with the reporting and payment requirements of Subtitle A, as determined by the commission.

(3) "Job" means employment on a basis customarily considered full-time for the applicable occupation and industry.

(4) "Program" means the Texas jobs program created under this subchapter.

Sec. 302.152. TEXAS JOBS PROGRAM; PURPOSE; ADMINISTRATION.

(a) The Texas jobs program is created in the division as a workforce development incentive program to create employment

1 opportunities and increase the job skills of the existing workforce
2 in rural and medium-sized communities in this state by providing
3 job training assistance to businesses operating in, or relocating
4 to, those communities.

5 (b) The program shall award grants for the creation and
6 retention of jobs in rural and medium-sized communities in this
7 state. At least 60 percent of the money spent under the program
8 must be used for projects that assist existing employers in rural or
9 medium-sized communities in this state. At least 20 percent of the
10 money must be used for employers that relocate operations to rural
11 or medium-sized communities in this state.

12 (c) The commission by rule shall develop and adopt a scoring
13 system that evaluates the economic impact of grant applications.
14 The executive director shall use the scoring system and a
15 competitive process to award the grants. It is the intent of the
16 legislature that the money from the Texas jobs program be spent in
17 rural and medium-sized communities of this state, as determined by
18 the commission.

19 (d) The commission shall determine appropriate means to
20 accomplish the goals of the program. As necessary to implement
21 those goals, the commission may work in conjunction with the
22 comptroller.

23 (e) The division shall administer the program.

24 (f) The executive director may employ personnel as
25 necessary to administer the program.

26 Sec. 302.153. RULES. The commission shall adopt rules as
27 necessary to implement the program.

1 Sec. 302.154. FUNDING; TEXAS JOB FUND. (a) The Texas job
2 fund is established as a special trust fund in the custody of the
3 comptroller separate and apart from all public money or funds of
4 this state. The fund is composed of:

5 (1) money transferred into the fund under Section
6 204.153;

7 (2) gifts, grants, and other donations received by the
8 division for the fund;

9 (3) money returned by employers or recouped by the
10 program under Section 302.158; and

11 (4) any amounts appropriated by the legislature for
12 the program.

13 (b) The program is funded through the Texas job fund.

14 (c) Money in the Texas job fund may be used for program
15 administration, marketing expenses, and evaluation of the program.

16 Sec. 302.155. GRANTS. The executive director may award
17 grants for projects that meet the requirements of this chapter.

18 Sec. 302.156. GRANT APPLICATION; AWARDING OF GRANTS. (a)
19 The following may apply for a grant under this subchapter:

20 (1) one or more employers to secure training; or

21 (2) one or more employers acting in partnership with
22 an employer organization, labor organization, or community-based
23 organization to secure training.

24 (b) A grant application must be filed with the division in a
25 form approved by the executive director and must include a complete
26 business and training plan, including:

27 (1) the location, number, and kind of jobs available;

1 (2) the skills and competencies required for the
2 identified jobs;

3 (3) the goals, objectives, and outcome measures for
4 the project;

5 (4) the proposed curriculum for the project; and

6 (5) the projected cost for each person enrolled,
7 trained, hired, and retained in employment.

8 (c) The division may provide assistance with the
9 application process to all applicants.

10 (d) The division shall minimize the length of the
11 application form and shall simplify to the extent possible the
12 review process for grant applications.

13 (e) The division shall notify each applicant as to whether
14 the application is complete not later than the fifth business day
15 after the date on which the application is received by the division.

16 Sec. 302.157. PARTICIPATION IN ADDITIONAL PROGRAMS;
17 APPLICATION REQUIREMENTS. (a) A business may not apply both for a
18 grant under this subchapter and to a public community or technical
19 college for customized training and assessment from the college
20 through a grant issued to the college under the skills development
21 fund program established under Chapter 303 unless the business and
22 the college file an application for concurrent participation in
23 both programs.

24 (b) The commission by rule shall establish the requirements
25 for an application subject to this section.

26 Sec. 302.158. CONTRACTS. (a) The executive director may
27 approve any project that meets the requirements of this subchapter.

1 If a project is approved and funds are available, the division shall
2 enter into a contract with the grant applicant and with each
3 employer participating in the project. The contract must specify
4 those skills and competencies to be gained as a result of the
5 project.

6 (b) Reimbursable costs in the contract may include only
7 those expenses related to direct training in job-related basic
8 skills, including literacy skills, job-related vocational skills,
9 and administrative costs. Total administrative costs for any
10 particular project may not exceed 10 percent of the project's
11 expenditures.

12 (c) Each contract must state the term of the grant award. A
13 grant recipient who does not use all money awarded under the grant
14 for the prescribed purpose within the allotted term shall reimburse
15 the program by submitting the appropriate amount to the executive
16 director not later than the 30th day after the expiration date of
17 the term of the grant award. The executive director shall remit
18 money received under this subsection to the comptroller for deposit
19 in the Texas jobs fund.

20 Sec. 302.159. TEXAS JOBS PROGRAM CONTRACT PROVISIONS. The
21 commission shall by rule require each Texas jobs contract to have:

22 (1) clearly defined goals, outputs, and measurable
23 outcomes that directly relate to program objectives;

24 (2) clearly defined sanctions for noncompliance with
25 contract terms; and

26 (3) clearly specified accounting, reporting, and
27 auditing requirements for funds received under program contracts.

1 Sec. 302.160. TEXAS JOBS PROGRAM MONITORING PRACTICES. The
2 commission by rule shall adopt program monitoring practices that
3 include:

4 (1) risk assessment to determine which contracts have
5 the highest risk for fraud and abuse; and

6 (2) a method to obtain and evaluate program cost
7 information to ensure all costs, including administrative costs,
8 are reasonable and necessary to achieve program objectives.

9 Sec. 302.161. ANNUAL REPORT. (a) The commission shall
10 report to the governor and the legislature at the end of each fiscal
11 year on the status of the program.

12 (b) The annual report must include for that fiscal year:

13 (1) the total number of applications submitted, the
14 total number of applications approved, and the total number of
15 applications rejected;

16 (2) the number of employers receiving grants under the
17 program;

18 (3) the total number of jobs created, enhanced, or
19 retained under the program:

20 (A) by occupation, classified by the applicable
21 two-digit standard industrial classification;

22 (B) by wage level; and

23 (C) whether attributable to:

24 (i) relocation of businesses to this state;

25 or

26 (ii) training or retraining of employees of
27 existing employers; and

1 (4) the average and median weekly wage levels of
2 trainees entering or returning to the workforce, broken down by
3 current employees undergoing retraining and new hires, at three
4 months and one year after the conclusion of their training.

5 SECTION 2. Chapter 204, Labor Code, is amended by adding
6 Subchapter H to read as follows:

7 SUBCHAPTER H. EMPLOYMENT TRAINING INVESTMENT ASSESSMENT; FUNDS

8 Sec. 204.151. EMPLOYMENT TRAINING INVESTMENT ASSESSMENT.

9 (a) In addition to any other taxes imposed under this subtitle, an
10 employment training investment assessment is imposed on each
11 employer paying contributions under this subtitle as a separate
12 assessment of 0.1 percent of wages paid by the employer.

13 (b) The commission shall deposit the revenue from the
14 employment training investment assessment to the credit of the
15 holding fund created under Section 204.152.

16 (c) The employment investment training assessment is due at
17 the same time, collected in the same manner, and subject to the same
18 penalties and interest as other contributions assessed under this
19 subtitle.

20 Sec. 204.152. HOLDING FUND. (a) The holding fund is a
21 special trust fund in the custody of the comptroller separate and
22 apart from all public money or funds of this state.

23 (b) The comptroller shall administer the holding fund in
24 accordance with the directions of the commission. Interest
25 accruing on amounts in the holding fund shall be deposited
26 quarterly to the credit of the compensation fund.

27 Sec. 204.153. TRANSFER TO TEXAS JOBS FUND AND COMPENSATION

1 FUND. (a) If, on September 1 of a year, the commission determines
2 that the amount in the compensation fund will exceed 100 percent of
3 its floor as computed under Section 204.061 on the next October 1
4 computation date, the commission shall transfer the amount in the
5 holding fund created under Section 204.152 to the Texas jobs fund
6 created under Section 302.154.

7 (b) If, on September 1 of a year, the commission determines
8 that the amount in the compensation fund will be at or below 100
9 percent of its floor as computed under Section 204.061 on the next
10 October 1 computation date, the commission shall transfer to the
11 compensation fund as much of the amount in the holding fund as is
12 necessary to raise the amount in the compensation fund to 100
13 percent of its floor, up to and including the entire amount in the
14 holding fund. The commission shall transfer any remaining balance
15 in the holding fund to the Texas jobs fund.

16 SECTION 3. The Texas Workforce Commission shall adopt rules
17 to implement Subchapter G, Chapter 302, Labor Code, as added by this
18 Act, not later than December 31, 2005.

19 SECTION 4. This Act takes effect September 1, 2005.