

1-1 By: Flores S.B. No. 856
1-2 (In the Senate - Filed January 22, 2025; February 13, 2025,
1-3 read first time and referred to Committee on Economic Development;
1-4 March 18, 2025, reported favorably by the following vote: Yeas 5,
1-5 Nays 0; March 18, 2025, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7				
1-8	King	X		
1-9	Sparks	X		
1-10	Alvarado	X		
1-11	Johnson	X		
1-12	Schwertner	X		

1-13 A BILL TO BE ENTITLED
1-14 AN ACT

1-15 relating to the use of the skills development fund by certain
1-16 entities.

1-17 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-18 SECTION 1. Section 303.001(a), Labor Code, is amended to
1-19 read as follows:

1-20 (a) The purpose of this chapter is to remove administrative
1-21 barriers that impede the response of public community and technical
1-22 colleges, community-based organizations, local workforce
1-23 development boards, the Texas A&M Engineering Experiment Station,
1-24 and the Texas A&M Engineering Extension Service to industry and
1-25 workforce training needs and to develop incentives for public
1-26 community and technical colleges, community-based organizations,
1-27 local workforce development boards, the Texas A&M Engineering
1-28 Experiment Station, and the Texas A&M Engineering Extension Service
1-29 to provide customized assessment and training in a timely and
1-30 efficient manner.

1-31 SECTION 2. Section 303.002(b), Labor Code, is amended to
1-32 read as follows:

1-33 (b) A public community or technical college, the Texas A&M
1-34 Engineering Experiment Station, or the Texas A&M Engineering
1-35 Extension Service may recover customized assessment and training
1-36 costs incurred by the college, station, or service [institution]
1-37 if:

1-38 (1) there is an actual or projected labor shortage in
1-39 the occupation in which training is provided that is not being met
1-40 by an existing institution or program in the area; and

1-41 (2) the wages at the time of job placement for
1-42 individuals who successfully complete customized training at the
1-43 public community or technical college, the Texas A&M Engineering
1-44 Experiment Station, or the Texas A&M Engineering Extension Service
1-45 are equal to the prevailing wage for that occupation in the local
1-46 labor market area.

1-47 SECTION 3. Sections 303.003(b), (f), (g), and (h), Labor
1-48 Code, are amended to read as follows:

1-49 (b) The skills development fund may be used by public
1-50 community and technical colleges, community-based organizations,
1-51 local workforce development boards, the Texas A&M Engineering
1-52 Experiment Station, and the Texas A&M Engineering Extension Service
1-53 as start-up or emergency funds for the following job-training
1-54 purposes:

1-55 (1) developing customized training programs for
1-56 businesses and trade unions; and

1-57 (2) sponsoring small and medium-sized business
1-58 networks and consortiums.

1-59 (f) The Texas A&M Engineering Experiment Station and the
1-60 Texas A&M Engineering Extension Service shall focus the station's
1-61 or service's training activities under this chapter on programs

2-1 that:

2-2 (1) are statewide in nature; or

2-3 (2) are not available from a local junior college
2-4 district, a local technical college, or a consortium of junior
2-5 college districts.

2-6 (g) This section does not prohibit the Texas A&M Engineering
2-7 Experiment Station or the Texas A&M Engineering Extension Service
2-8 from participating in a consortium of junior college districts or
2-9 with a technical college that provides training under this chapter.

2-10 (h) A community-based organization may apply for money to
2-11 participate in a training program only in partnership with a
2-12 community and technical college, the Texas A&M Engineering
2-13 Experiment Station, or the Texas A&M Engineering Extension Service.
2-14 A community-based organization providing services regulated by the
2-15 state shall provide evidence of any certification, license, or
2-16 registration required by law.

2-17 SECTION 4. Section 303.004, Labor Code, is amended to read
2-18 as follows:

2-19 Sec. 303.004. FUND REVIEW; REPORT BY CERTAIN WORKFORCE
2-20 TRAINING PROVIDERS REQUIRED. (a) The Texas Higher Education
2-21 Coordinating Board shall review all customized training programs
2-22 biennially to verify that state funds are being used appropriately
2-23 by public community and technical colleges, the Texas A&M
2-24 Engineering Experiment Station, and the Texas A&M Engineering
2-25 Extension Service under this chapter.

2-26 (b) Not later than October 1 of each even-numbered year, the
2-27 Texas A&M Engineering Experiment Station, the Texas A&M Engineering
2-28 Extension Service, and each public community or technical college
2-29 that provides workforce training under this chapter shall:

2-30 (1) conduct a review of the station's, service's, or
2-31 college's training programs to:

2-32 (A) determine the effectiveness of the programs
2-33 in improving the wages of participants who complete the programs;
2-34 and

2-35 (B) identify strategies for improving the
2-36 delivery of workforce training in order to more effectively impact
2-37 economic development in this state; and

2-38 (2) submit to the commission a detailed written report
2-39 summarizing the results of the review for inclusion by the
2-40 executive director in the report to the governor and the
2-41 legislature required by Section 303.006(c).

2-42 (c) If the Texas A&M Engineering Experiment Station, the
2-43 Texas A&M Engineering Extension Service, or a public community or
2-44 technical college fails to submit a report required by Subsection
2-45 (b)(2):

2-46 (1) the station, service, or college must refund to
2-47 the comptroller any unexpended state funds received by the station,
2-48 service, or college under this chapter for the state fiscal
2-49 biennium in which the report was due; and

2-50 (2) the commission may not award any additional grant
2-51 to the station, service, or college under this chapter until the
2-52 station, service, or college has complied with that reporting
2-53 requirement.

2-54 SECTION 5. This Act takes effect September 1, 2025.

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