

## **BILL ANALYSIS**

H.B. 161  
By: Deshotel  
Technology, Economic Development & Workforce  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

The Wagner-Peyser Act became law in 1933, establishing the nationwide public employment service. This federally funded labor exchange program matches employers with qualified, unemployed applicants. It is linked to the unemployment compensation program, thus helping applicants for unemployment benefits find new employment opportunities.

Currently, the Texas Workforce Commission (TWC) has over 600 employees funded by the Wagner-Peyser Act who help Texans find work. Most of these employees are housed in the local one-stop workforce centers where they work alongside contractor staff. A contractor's staff person is paid from sources that include the Workforce Investment Act, child care programs, and Temporary Assistance for Needy Families (TANF) funds that are allocated to the local workforce development boards. The bill addresses recent federal discussions that may adversely affect the TWC, as well as the success of the labor exchange program.

H.B. 161 includes employment service in the programs or functions that may not be block granted, except by state law. The bill also removes the reintegration of offenders program and the trade adjustment assistance program from the functions or programs that may not be block-granted, as they are currently block-granted.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

H.B. 161 amends the Labor Code to remove the provision making block grant funding under the law governing block grants to local workforce development areas inapplicable to certain programs or functions. The bill adds a provision prohibiting those programs or functions from being funded by block grant unless the block grant funding is specifically authorized under other state law. The bill adds the functions of the Texas Workforce Commission or the entity designated by the commission to implement duties imposed under the federal Wagner-Peyser Act to those programs or functions, and the bill removes the reintegration of offenders program known as Project Rio and a certain trade adjustment assistance program under the federal Trade Act of 1974 from those programs or functions.

### **EFFECTIVE DATE**

On passage, or, if the act does not receive the necessary vote, the act takes effect September 1, 2009.