

BILL ANALYSIS

C.S.H.B. 516

By: Strama

Technology, Economic Development & Workforce
Committee Report (Substituted)

BACKGROUND AND PURPOSE

The Governor's Competitiveness Council has estimated that two-thirds of all new energy jobs created in Texas over the next 10 years will be in the renewable energy sector. The comptroller of public accounts has estimated that 111,000 jobs will be lost in Texas in 2009; the ability of the state to devote resources to the retraining and redirection of the workforce will be an important aspect of Texas' future. The green jobs development fund will act as a bridge Texas needs to put people to work in a growing and sustainable industry.

The legislature must examine new and innovative ways to create jobs in a declining national economy. The green jobs development fund will allow Texas to maintain its economic competitiveness in an increasingly diverse energy market. Modeled after legislation creating the existing skills development fund, C.S.H.B. 516 addresses nine different categories of jobs in the "green economy": energy efficient building, renewable energy, energy storage technologies, biofuels, waste recycling techniques, products recycling techniques, energy efficiency assessments, manufacturing of sustainable products, and water conservation and efficiency. Funds will be administered through the Texas Workforce Commission to regional coalitions that consist of community partners and universities. The training will enhance trade skills and expertise in everything from basic energy efficiency home improvements to complex manufacturing assembly.

C.S.H.B. 516 is designed to take advantage of all available sources of funding. The green jobs development fund is an appropriate tool that the legislature can provide to our state's workforce to address the immediate need for new and prolonged job creation in a viable and growing industry.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the Texas Workforce Commission in SECTIONS 2 and 3 of this bill.

ANALYSIS

C.S.H.B. 516 amends the Government Code to create the green job skills development fund and training program. The bill establishes the purpose of the green job skills development fund and training program, and it defines "commission," "development fund," "green job," and "recycle." The bill establishes that the green job skills development fund is an account in the general revenue fund that is composed of legislative appropriations, money received from the Texas enterprise fund, gifts, grants, donations, and matching funds, and other money required by law to be deposited in the account. The bill authorizes the use of the Texas enterprise fund to make one or more grants to the Texas Workforce Commission to implement the commission's powers and duties related to a green job skills training program and exempts a grant for the program from certain requirements applicable to a grant from the Texas enterprise fund.

C.S.H.B. 516 requires the Texas Workforce Commission to establish a green job skills grant program, funded by the development fund, through which the commission may award grants for the implementation, expansion, and operation of green job skills training programs. The bill requires a training program funded through the grant program to be hosted by a regional partnership that presents a plan to implement training programs that lead trainees to economic self-sufficiency and career pathways and includes at least one: university, college, or technical school, or other nonprofit workforce training provider; one chamber of commerce, local workforce agency, local employer, or other public or private participating entity; one economic development authority; and one community or faith-based nonprofit organization that works with one or more targeted populations. The bill requires the training program to assist an eligible individual in obtaining education, skills training, and labor market information to enhance the individual's employability in green industries, and to assist in the development of a highly skilled and productive workforce in green industries. The bill requires a training program awarded a grant to target eligible individuals for training, including workers in high-demand green industries; workers in declining industries; agriculture, timber, or energy sector workers; veterans or past or present members of the armed forces of the United States; unemployed workers; low-income workers, unemployed youth and adults, individuals who did not complete high school, or other underserved sectors of the workforce in high poverty areas; or individuals otherwise determined by the commission to be disadvantaged. The bill authorizes a training program to receive funding for a period not to exceed three years and to use grant funds for support services, including basic skills, literacy, GED, English as a second language, job readiness training, career guidance, and referral services. The bill requires a percentage of the grant, to be determined by the commission, to be devoted to administrative costs, costs related to hiring instructors and purchasing equipment, and tuition assistance.

C.S.H.B. 516 authorizes a regional partnership described above to apply for a grant in the manner prescribed by the commission. The bill requires a grant application to require the applicant to provide to the commission the applicant's plan to continue to operate the training program after the grant expires. The bill requires the commission, in determining whether to award a grant to an applicant, to give preference to a training program that provides certification and a career advancement mechanism to a worker who receives green job skills training under the program, and leverages additional public and private resources to fund the program, including cash or in-kind matches. The bill requires grants to be awarded in a manner that ensures geographic diversity. The bill requires the commission by rule to adopt standards for a green job skills training program awarded a grant.

C.S.H.B. 516 requires 20 percent of the funds available for grant programs to be reserved for job skills training programs that serve the unemployed and individuals whose incomes are at or below 200 percent of the federal poverty level. The bill requires a grant recipient not later than the 30th day after the date funding for a grant ends to submit a report to the commission that contains the following information: the number of participants who entered the program; the demographics of the participants, including race, gender, age, and significant barriers to education, such as limited English proficiency, a criminal record, or a physical or mental disability; services received by participants, including training, education, and support services; the amount of program spending per participant; program completion rates; factors determined to interfere significantly with program participation or completion; the average wage at placement, including benefits, and the rate of average wage increases after one year; and any post-employment support services provided. The bill requires the commission, not later than October 1 of each even-numbered year, to submit a report to the governor, the lieutenant governor, and the speaker of the house of representatives that includes a summary of all information submitted to the commission by grant recipients.

C.S.H.B. 516 requires the commission to adopt rules for the green job skills training program not later than March 1, 2010, and it specifies that implementation of the program is contingent on appropriation of funding by the legislature.

EFFECTIVE DATE

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

COMPARISON OF ORIGINAL AND SUBSTITUTE

C.S.H.B. 516 differs from the original by specifying that the purpose of the green job skills development fund and training program includes creating career opportunities that result in high-wage jobs. The substitute differs from the original by adding job categories to the types of jobs in the field of renewable energy or energy efficiency considered to be a "green job" and defines the term "recycle." The substitute differs from the original by requiring a regional partnership that hosts a grant program to present a plan to implement training programs that leads trainees to economic self-sufficiency and career pathways and specifies that an alternative to the requirement for a regional partnership to include at least one university, college, or technical school is to include another nonprofit workforce training provider. The substitute differs from the original by requiring the partnership to also include at least one community or faith-based non-profit organization that works with one or more targeted populations.

C.S.H.B. 516 differs from the original by adding low-income workers, unemployed youth and adults, individuals who did not complete high school, or other underserved sectors of the workforce in high poverty areas to the populations of eligible individuals that a green job skills training program awarded a grant must target. The substitute differs from the original by authorizing a training program to use grant funds for support services, including basic skills, literacy GED, English as a second language, and job readiness training, career guidance, and referral services. The substitute differs from the original by requiring a percentage of a grant, to be determined by the Texas Workforce Commission, to be devoted to administrative costs, costs related to hiring instructors and purchasing equipment, and tuition assistance.

C.S.H.B. 516 differs from the original by requiring the commission to give preference to a training program that provides a career advancement mechanism, in addition to certification, to a worker who receives green job skills training and that leverages additional public and private resources to fund the program, including cash or in-kind matches. The substitute differs from the original by requiring grants to be awarded in a manner that ensures geographic diversity. The substitute differs from the original by requiring 20 percent of the funds available for grant programs to be reserved for job skills training programs that serve the unemployed and individuals whose incomes are at or below 200 percent of the federal poverty level.

C.S.H.B. 516 differs from the original by requiring a grant recipient, not later than the 30th day after the date that funding for a grant ends, to submit a report to the commission that contains the following information: the number of participants who entered the program; the demographics of the participants, including race, gender, age, and significant barriers to education, such as limited English proficiency, a criminal record, or a physical or mental disability; services received by participants, including training, education, and support services; the amount of program spending per participant; program completion rates; factors determined to interfere significantly with program participation or completion; the average wage at placement, including benefits, and the rate of average wage increases after one year; and any post-employment support services provided. The substitute differs from the original by requiring the commission, not later than October 1 of each even-numbered year, to submit a report to the governor, the lieutenant governor, and the speaker of the house of representatives that includes a summary of all information submitted to the commission by grant recipients.