

BILL ANALYSIS

H.B. 1180
By: Chavez
Technology, Economic Development & Workforce
Committee Report (Unamended)

BACKGROUND AND PURPOSE

In 2005, the 79th Legislature, Regular Session, introduced H.B. 2421 to use Unemployment Insurance program assessments for unemployment compensation to increase funding for the skills development fund (SDF). The Governor's Office was also interested in increased funding for the Texas Enterprise Fund (TEF) and requested that funding from the fund be split between the TEF and SDF.

The language that ultimately became law put the funding split for the TEF and SDF at 67 percent and 33 percent, respectively, for the first year, and at 75 percent and 25 percent for the following years. In 2007, the 80th Legislature, Regular Session, enacted H.B. 48 to return the split to 67 and 33 percent. The bill was subsequently vetoed.

H.B. 1180 would equalize funding from the unemployment compensation fund to the Texas Enterprise Fund and skills development fund by establishing a 50/50 split of the funding.

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. 1180 amends the Labor Code to require the Texas Workforce Commission, if, on September 1 of a year, the commission determines that the amount in the unemployment compensation fund will exceed 100 percent of its floor on the next October 1 computation date, to transfer from the first \$160 million deposited in the employment and training investment holding fund in any state fiscal biennium, rather than during the state fiscal biennium ending August 31, 2007:

- 50 percent, rather than 67 percent, to the Texas Enterprise Fund in an amount that does not exceed the amount appropriated by the legislature to the Texas Enterprise Fund in that biennium; and
- 50 percent, rather than 33 percent, to the skills development fund in an amount that does not exceed the amount appropriated by the legislature to the skills development program strategies and activities in that biennium.

H.B. 1180 removes provisions that required the commission to transfer 75 percent of the first \$160 million deposited in the employment and training investment holding fund to the Texas Enterprise Fund and 25 percent to the skills development fund during any state fiscal biennium beginning on or after September 1, 2007.

EFFECTIVE DATE

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