

## **BILL ANALYSIS**

C.S.S.B. 108

By: Ellis

Technology, Economic Development & Workforce  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

There is tremendous economic opportunity in using renewable energy and increasing energy efficiency in Texas. According to the governor's state energy plan, two-thirds of the jobs created in the energy sector over the next decade will be in the area of renewable energy, and it is likely there will be an even greater opportunity for green jobs in the field of energy efficiency. A green job is defined as a job in the field of renewable energy or energy efficiency, including a job relating to energy-efficient building, construction, and retrofitting; renewable energy, including biomass, hydroelectric, geothermal, and ocean energy, and wind and solar power; research and development or manufacturing of advanced battery or energy storage technologies; biofuels from non-feed food stocks; techniques to reduce, reuse, or recycle waste; techniques to recycle products and convert used materials into new products; energy efficiency assessments; manufacturing of sustainable products using sustainable processes and materials; and water conservation and water efficiency.

C.S.S.B. 108 establishes the green job skills training program, including a training program component for youths and young veterans, at the Texas Workforce Commission.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that rulemaking authority is expressly granted to the Texas Workforce Commission in SECTIONS 1 and 2 of this bill.

### **ANALYSIS**

C.S.S.B. 108 amends the Labor Code to create the green job skills development fund and training program that includes training for certain youths and young veterans. The bill establishes the purpose of the green job skills development fund and training program and defines "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, gifts, grants, donations, and matching funds, and other money required by law to be deposited in the account.

C.S.S.B. 108 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 the commission, as part of the green jobs skills grant program, to develop a youth training program that promotes the economic self-sufficiency of youth and young veterans by providing those persons with opportunities to acquire green job skills while performing community service activities. The bill requires a participant, to be eligible to participate in the youth training program, to be an individual who is at least 16 years of age but not older than 24 years of age on the date of enrollment in a project and who either is not attending high school and has not received a high school diploma or high school equivalency certificate or is attending high school or a program leading to a high school equivalency certificate but is at risk of dropping out of high school or the equivalency certification program and recommended for

enrollment in the project by the high school or the equivalency certification program. The bill requires a program participant, in addition to meeting the requirements described above, to be a member of a household that receives public assistance and earns not more than 80 percent of the area median income; be educationally disadvantaged, as defined by commission rule; be referred to the program by a school district, state agency, or court; or be a veteran who is not older than 24 years of age on initial participation in the program.

C.S.S.B. 108 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 a population of 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 and in need of training to obtain employment. 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.S.B. 108 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.

C.S.S.B. 108 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 project for which a grant is received under the youth training program to provide to a participant integrated green job occupational skills training and education, divided between practical, hands-on work experience at project sites and, if the participant has not received a high school diploma or high school equivalency certificate, academic and project-based instruction designed to result in the attainment of a high school diploma or high school equivalency certificate, of which at least 50 percent of the instruction is devoted to applied academic instruction.

C.S.S.B. 108 requires a project for which a grant is received under the youth training program, to the extent authorized by federal law and regulations, to provide a training stipend to each participant enrolled in the project. The bill requires the training stipend to be in an amount determined by commission rule, to be provided for a period not to exceed two years, and to be conditioned on the demonstration by the participant of improved job performance and personal responsibility as determined by commission rule. The bill establishes that, to the extent

authorized by federal law and regulations, a stipend does not count as income or resources for purposes of determining the eligibility of the participant or the participant's household for any form of public assistance or in determining the amount of that assistance. The bill authorizes a stipend to include a plan for incentives under which additional compensation is provided to a participant who demonstrates excellent attendance and performance.

C.S.S.B. 108 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. The bill requires the commission to include in the report the following information for grants awarded under the youth training program: the number of grants awarded; the total dollar amount of grants awarded; the geographical distribution of grants awarded; the number of youths and other participants enrolled in projects funded by grants; the number of youths and other participants who are projected to secure full-time jobs at the conclusion of participation in projects funded by grants; the number of youths who are projected to graduate from high school or receive a high school equivalency certificate while participating in the program; and the estimated dollar savings due to improved energy efficiency in projects funded by grants.

C.S.S.B. 108 requires the commission by rule to adopt standards for the green job skills training program and youth training program and to adopt rules for the program not later than March 1, 2010. The bill establishes that the commission is required to implement the green jobs skills program only if the legislature appropriates money for that purpose or funds are received from the federal government for the implementation of the program.

#### **EFFECTIVE DATE**

September 1, 2009.

#### **COMPARISON OF ORIGINAL AND SUBSTITUTE**

C.S.S.B. 108 differs from the original by specifying that the purpose of the green jobs skills development fund and training program includes assisting youth and young veterans. The substitute adds provisions not in the original requiring the Texas Workforce Commission to develop a youth training program as part of the green job skills grant program and setting forth eligibility, projects, training stipends, reporting, and rulemaking criteria and requirements applicable to the youth training program. The substitute requires the commission to implement the green jobs skills program only if the legislature appropriates money for that purpose or funds are received from the federal government for the implementation of the program, whereas the original provides that the bill takes effect only if a specific appropriation for the implementation of the program is provided in a general appropriations act of the 81st Legislature. The substitute differs from the original by providing for a September 1, 2009, effective date, whereas the original provides for immediate effect contingent on the bill's receiving the necessary two-thirds vote in each house or a September 1, 2009, effective date.