

By: Jackson

S.B. No. 2

A BILL TO BE ENTITLED

AN ACT

relating to certain economic and workforce development programs through which employers may receive grants and subsidies.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 481.078, Government Code, is amended by adding Subsection (m) to read as follows:

(m) Notwithstanding Subsections (e) and (e-1), during the state fiscal biennium that begins on September 1, 2011, the governor shall transfer \$15 million from the fund to the Texas Workforce Commission to fund the Texas Back to Work Program established under Chapter 313, Labor Code, and \$30 million from the fund to the skills development fund established under Section 303.003, Labor Code. The governor shall begin transferring money as required by this subsection as soon as possible after September 1, 2011, and may make more than one transfer if necessary to satisfy the requirements of this subsection.

SECTION 2. Chapter 481, Government Code, is amended by adding Subchapter M to read as follows:

SUBCHAPTER M. PUBLIC-PRIVATE COMPETITIVENESS INITIATIVE

FOR INDUSTRY CLUSTERS

Sec. 481.181. DEFINITION. In this subchapter, "industry cluster organization" means an organization whose purpose is to increase the competitiveness of businesses and industries within an industry cluster.

1       Sec. 481.182. PUBLIC-PRIVATE COMPETITIVENESS INITIATIVE  
2 FOR INDUSTRY CLUSTERS. (a) The office shall create the  
3 Public-Private Competitiveness Initiative for Industry Clusters.

4       (b) The purpose of the initiative is to foster and support  
5 the creation of industry cluster organizations.

6       Sec. 481.183. MATCHING GRANTS. The office may award  
7 matching grants as provided by this subchapter to accomplish the  
8 purposes of the initiative.

9       Sec. 481.184. ELIGIBLE ENTITIES. The following entities  
10 are eligible to apply for a grant:

11           (1) a municipality;

12           (2) a county;

13           (3) a chamber of commerce;

14           (4) a public or private institution of higher  
15 education; and

16           (5) a business.

17       Sec. 481.185. PROPOSAL. To be awarded a matching grant  
18 under the initiative, an eligible entity must submit a proposal, in  
19 the form prescribed by the office, to create an industry cluster  
20 organization.

21       Sec. 481.186. PRIORITY FOR AWARDS. (a) The office shall  
22 develop criteria for selecting proposals for matching grants under  
23 the initiative.

24       (b) In developing the criteria, the office shall give  
25 priority to proposals that focus on:

26           (1) making this state a stronger exporter of goods and  
27 services;

1           (2) enhancing educational and employment  
2 opportunities for the workers of this state; and

3           (3) stimulating local economic growth.

4           Sec. 481.187. AMOUNT OF MATCHING GRANT. The amount of the  
5 matching grant may not exceed \$1 for every \$5 obtained for the  
6 proposal from other sources by an applicant whose proposal is  
7 approved.

8           Sec. 481.188. REPORTING REQUIREMENT. Not later than  
9 January 1 of each odd-numbered year, the office shall submit a  
10 report to the legislature regarding the activities of the  
11 initiative. The report must include the following information:

12           (1) the total number of grants and the total amount of  
13 grant money awarded under the initiative; and

14           (2) the distribution of grants awarded among industry  
15 clusters in this state.

16           SECTION 3. Section 303.003, Labor Code, is amended by  
17 adding Subsection (b-2) to read as follows:

18           (b-2) From money available to the skills development fund  
19 program, the commission shall allocate not less than \$5 million  
20 each state fiscal biennium for businesses with fewer than 100  
21 employees that partner with one of the entities under Subsection  
22 (b) to provide job-training skills to the business's employees. A  
23 business that receives money for job-training purposes under this  
24 subsection may not receive more than:

25           (1) \$1,450 per new employee for training costs  
26 associated with that employee; and

27           (2) \$725 per retained employee for training costs

1 associated with retaining that employee.

2 SECTION 4. Subtitle B, Title 4, Labor Code, is amended by  
3 adding Chapter 313 to read as follows:

4 CHAPTER 313. TEXAS BACK TO WORK PROGRAM

5 Sec. 313.001. DEFINITION. In this chapter, "qualified  
6 applicant" means a person who made less than \$40 per hour at the  
7 person's last employment before becoming unemployed.

8 Sec. 313.002. INITIATIVE ESTABLISHED. (a) The Texas Back  
9 to Work Program is established within the commission.

10 (b) The purpose of the program is to establish  
11 public-private partnerships with employers to transition residents  
12 of this state from receiving unemployment compensation to becoming  
13 employed as members of the workforce.

14 (c) An employer that participates in the initiative may  
15 receive a wage subsidy for hiring one or more qualified applicants  
16 who are unemployed at the time of hire.

17 Sec. 313.003. RULES. The executive director may adopt  
18 rules as necessary to implement this chapter.

19 SECTION 5. Not later than March 1, 2012, the Texas Economic  
20 Development and Tourism Office shall adopt any necessary rules for  
21 the Public-Private Competitiveness Initiative for Industry  
22 Clusters established under Subchapter M, Chapter 481, Government  
23 Code, as added by this Act.

24 SECTION 6. This Act takes effect immediately if it receives  
25 a vote of two-thirds of all the members elected to each house, as  
26 provided by Section 39, Article III, Texas Constitution. If this  
27 Act does not receive the vote necessary for immediate effect, this

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1 Act takes effect September 1, 2011.