

BILL ANALYSIS

H.B. 3545
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Defense & Veterans' Affairs
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Interested parties report that in 2012, veteran employees comprised five percent of all state employees at Texas governmental agencies, compared to nearly 20 percent of all federal employees. Interested parties assert that veteran employment within state agencies could be increased by allowing direct hiring of veterans through the Texas Workforce Commission's automated system, by requiring agencies to increase the number of veterans in an agency's interview pool, and by requiring some large agencies to have a designated veteran liaison. Such parties also note that opportunities for veteran-owned businesses could be enhanced by increasing the ability of disabled veterans who own businesses to compete for state contracts by making service-disabled veteran-owned businesses eligible for contracting with the Texas Council on Purchasing from People with Disabilities.

H.B. 3545 seeks to enact the Veterans' Employment and Business Opportunity Act to improve state employment and state purchasing opportunities for veterans and to make permanent the College Credit for Heroes program.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the Texas Workforce Commission in SECTION 7 of this bill.

ANALYSIS

H.B. 3545 amends the Government Code to revise provisions relating to veterans' employment preferences. The bill establishes that a veteran or, if the veteran was killed while on active duty, a veteran's surviving spouse who has not remarried and an orphan of a veteran, qualifies for a veteran's employment preference. The bill expands the definition of "veteran" to include a person who served in the state military, in addition to the army, navy, air force, coast guard, or marine corps of the United States or the U.S. Public Health Service or an auxiliary service of one of those branches of the military, and who has been honorably discharged from the branch of the service in which the person served. The bill removes from the qualification requirements for a veteran's employment preference the requirement that the veteran is competent and served in the military for not less than 90 consecutive days during a national emergency declared in accordance with federal law or was discharged from military service for an established service-connected disability. The bill also removes the competence and service length requirements for the surviving spouse or orphan of a veteran killed while on active duty.

H.B. 3545 replaces references in applicable statutes to a public work or public entity, which is defined in those statutes as a public department, commission, board, or agency, with references to a state agency, which the bill defines as a board, commission, council, committee, department, office, agency, or other governmental entity in the executive, legislative, or judicial branch of state government, including an institution of higher education.

H.B. 3545 entitles an individual who qualifies for a veteran's preference to a preference in

employment over all other applicants for the same position, rather than only over those who do not have a greater qualification. The bill repeals provisions entitling an individual who has an established service-connected disability to preference for employment or appointment in a position for which a competitive examination is not held over all other applicants for the same position without a service-connected disability and who do not have a greater qualification. The bill removes the definition of "established service-connected disability" and entitles a disabled veteran, which the bill defines as a veteran who is classified as disabled by the U.S. Department of Veterans Affairs or its successor or the branch of the service in which the veteran served and whose disability is service connected, to a service credit of five additional points added to the individual's test score on a competitive examination for employment with a state agency, rather than granting such an entitlement to an individual who has an established service-connected disability. The bill repeals statutory provisions excluding from requirements relating to veteran's employment preferences the position of private secretary or deputy of an official or department or a person holding a strictly confidential relation to the appointing or employing officer.

H.B. 3545 clarifies that a state agency is required to give preference in hiring to individuals entitled to a veteran's employment preference until at least 40 percent of the employees of the state agency are selected from individual's given that preference. The bill, unless an insufficient number of individuals entitled to a veteran's employment preference apply for an open agency position, requires a state agency that does not have 40 percent of its employees who are entitled to such a preference, for each announced open position, to interview the greater of one individual entitled to a veteran's employment preference or a number of individuals entitled to such a preference equal to 20 percent of the total number of individuals interviewed for the position. The bill authorizes a state agency to designate an open position as a veterans position and to accept applications for the position only from individuals eligible for the veteran's employment preference, requires a state agency with more than 500 full-time equivalent positions to designate an individual from the agency to serve as a veterans liaison within the agency, and removes the requirement that a state agency, when possible, give 10 percent of preferences granted to qualified veterans discharged within the preceding 18 months.

H.B. 3545 authorizes a state agency that has not reached the required employment percentage to hire for an open position from within the agency an individual entitled to a veteran's employment preference without announcing or advertising the position if the agency uses the Texas Workforce Commission's employment Internet website to identify a qualified entitled individual and if the agency determines the individual meets the qualifications required for the position. The bill clarifies that the comptroller of public accounts is required to file the annual report that compiles and analyzes information from state agencies regarding employment and hiring of individuals entitled to a veteran's employment preference no later than December 1 of each year. The bill repeals statutory provisions requiring a pre-employment investigation of the qualifications of an applicant entitled to a veteran's employment preference in order to assess whether the applicant is of good moral character and can perform the duties of the position.

H.B. 3545 amends the Human Resources Code to expand the definition of a community rehabilitation program to include a service-disabled veteran-owned business that is operated under criteria established by the Texas Council on Purchasing from People with Disabilities and under which service-disabled veterans produce products or perform services for compensation. The bill specifies that the term "disability" includes a disability of a service-disabled veteran.

H.B. 3545 amends the Labor Code to remove the specification that the College Credit for Heroes program is a demonstration program and requires the Texas Workforce Commission, after consultation with the Texas Higher Education Coordinating Board, to report not later than November 1 of each year to the legislature and the governor on the results of any grants awarded under that program; on the best practices for veterans and military servicemembers to achieve maximum academic or workforce education credit at institutions of higher education for military experience, education, and training obtained during military service; on the measures needed to facilitate the award of academic or workforce education credit by institutions of higher education

for military experience, education, and training obtained during military service; and on other related measures needed to facilitate the entry of trained, qualified veterans and military servicemembers into the workforce.

H.B. 3545 repeals the following provisions of the Government Code:

- Sections 657.003(b) and (e)
- Section 657.005

EFFECTIVE DATE

September 1, 2013.