

BILL ANALYSIS

H.B. 3723
By: Gerdes
International Relations & Economic Development
Committee Report (Unamended)

BACKGROUND AND PURPOSE

The Smithville Workforce Training Center has been working with students and adult trainees to provide high-quality certification programs designed to help grow rural communities in Bastrop, Lee, and Fayette Counties. However, in other rural communities across Texas, the lack of training and educational opportunities like those in Smithville, as well as the lack of competitive wages, may drive people away from their rural communities. Currently, developers, junior colleges, and businesses are not incentivized to invest in these communities. Due to the lack of investment, and as rural population decreases, many of the individuals who remain in rural communities live below the poverty level or are retired and not seeking employment. To be comfortable investing in a community and its workforce, those interested in investing in a rural community need to know that skilled labor and high talent individuals have an incentive to stay in the rural community. H.B. 3723 seeks to level the playing field for rural communities by establishing a rural workforce training grant program to provide on-the-job training, apprenticeships, and workforce education courses to counties with a population of less than 200,000.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

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

ANALYSIS

H.B. 3723 amends the Labor Code to require the Texas Workforce Commission (TWC) to establish and administer the rural workforce training grant program for the purpose of providing targeted funding for job-specific workforce training and related services to strengthen the skills, resources, and career opportunities of the rural workforce in Texas. The bill requires TWC, under the program, to award grants to public, private, or nonprofit entities, including business associations, political subdivisions, local workforce development boards, and educational institutions, that as follows:

- provide on-the-job training, apprenticeships, workforce education courses, and other job-specific workforce development activities in a county with a population of less than 200,000; and
- apply to TWC in the manner provided by TWC rule.

H.B. 3723 restricts the use of money awarded to an entity under the program to covering costs associated with training materials, instructors' fees, participant wraparound expenses, facility fees, administrative costs, and outreach, mentoring, and recruiting costs for the training,

apprenticeship, course, or other activity for which the money is awarded. TWC must require a grant recipient to provide periodic reports regarding the recipient's use of grant money received under the program and related training participant outcomes. The bill authorizes TWC to solicit and accept gifts, grants, and donations from any public or private source for purposes of the program.

H.B. 3723 requires TWC to adopt rules for the administration of the program. The bill requires TWC, not later than December 1 of each year, to submit to the governor, lieutenant governor, speaker of the house of representatives, and the standing committee of each house of the legislature with primary jurisdiction over workforce development matters a report regarding the grants awarded under the program during the most recent state fiscal year and regarding the program's effectiveness.

EFFECTIVE DATE

September 1, 2023.