

SENATE AMENDMENTS

2nd Printing

By: Chavez, Moody, Harless, Pickett, Button

H.B. No. 2169

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the establishment of additional job incentive programs
3 by the Texas Workforce Commission using the skills development
4 fund.

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

6 SECTION 1. Section 303.003, Labor Code, is amended by
7 adding Subsection (b-1) to read as follows:

8 (b-1) The commission by rule may establish and develop
9 additional job incentive programs that use the skills development
10 fund to create incentives for public community and technical
11 colleges in partnership with one or more employers, including
12 prospective employers who commit to establishing a place of
13 business in this state, to provide workforce training in an effort
14 to create and retain employment opportunities in this state. Under
15 a program established under this subsection, the commission may
16 commit money to a prospective employer described by this subsection
17 contingent on the employer's establishment of a place of business
18 in this state.

19 SECTION 2. This Act takes effect immediately if it receives
20 a vote of two-thirds of all the members elected to each house, as
21 provided by Section 39, Article III, Texas Constitution. If this
22 Act does not receive the vote necessary for immediate effect, this
23 Act takes effect September 1, 2009.

ADOPTED

FLOOR AMENDMENT NO. 1

MAY 23 2009

Atty. Gen.
Secretary of the Senate

BY:

Robert R. Johnson

1 Amend H.B. No. 2169 by adding the following appropriately
2 numbered SECTIONS to the bill and renumber the subsequent
3 SECTIONS of the bill accordingly:

4 SECTION _____. Subsections (a) and (c), Section 29.190,
5 Education Code, are amended to read, and subsection (e) is added
6 as follows:

7 (a) A student is entitled to a subsidy under this section
8 if:

9 (1) the student:

10 (A) [A] ~~[1]~~ successfully completes the career and
11 technology program of a school district in which the student
12 receives training and instruction for employment in a current or
13 emerging high-demand, high-wage, high-skill ~~[certain trade or]~~
14 occupation, as determined under subsection (e); or

15 (B) is enrolled in a special education program
16 under Subchapter A;

17 (2) the student passes a certification examination to
18 qualify for a license or certificate for the ~~[trade or]~~
19 occupation; and

20 (3) the student submits to the district a written
21 application in the form, time, and manner required by the
22 district for the district to subsidize the cost of an
23 examination described by Subdivision (2) [demonstrates financial
24 need].

25 (c) On approval by the commissioner, the agency shall pay
26 each school district ~~[eligible student]~~ an amount equal to the
27 cost paid by the district or student for the certification
28 examination. To obtain reimbursement for a subsidy paid under
29 this section, a district ~~[student]~~ must:

1 (1) pay the fee for the examination or pay the
2 student the amount of the fee paid by the student for the
3 examination; and

4 (2) submit to the commissioner a written application on a
5 form prescribed by the commissioner stating [~~demonstrating~~
6 ~~financial need and~~] the amount of the fee paid under Subdivision
7 (1) [~~by the student~~] for the certification examination.

8 (e) The commissioner, in collaboration with the
9 Commissioner of Higher Education and the Workforce Commission,
10 shall determine as necessary what qualifies for a high demand,
11 high wage, high need occupation for purposes of this section.

12 SECTION ____ . It is the intent of the legislature that the
13 passage of S.B. No. 1313, Acts of the 81st Legislature, Regular
14 Session, 2009, with any amendments to Section 21.190, Education
15 Code, and the amendments by this Act shall be harmonized, if
16 possible, as provided by Section 311.025(b), so that effect may
17 be given to each. If amendments made to Section 21.190,
18 Education Code, made by this Act are irreconcilable, it is the
19 intent of the legislature that S.B. No. 1313, Acts of the 81st
20 Legislature, Regular Session, 2009, prevail, regardless of the
21 relative dates of enactment of this Act and S.B. 1313, Acts of
22 the 81st Legislature, Regular Session, 2009, but only to the
23 extent that any differences are irreconcilable.

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

May 28, 2009

TO: Honorable Joe Straus, Speaker of the House, House of Representatives

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB2169 by Chavez (Relating to the establishment of additional job incentive programs by the Texas Workforce Commission using the skills development fund.), **As Passed 2nd House**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2169, As Passed 2nd House: a negative impact of (\$2,678,520) through the biennium ending August 31, 2011.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

| Fiscal Year | Probable Net Positive/(Negative) Impact to General Revenue Related Funds |
|--------------------|---|
| 2010 | (\$1,326,000) |
| 2011 | (\$1,352,520) |
| 2012 | (\$1,379,570) |
| 2013 | (\$1,407,162) |
| 2014 | (\$1,435,305) |

All Funds, Five-Year Impact:

| Fiscal Year | Probable (Cost) from General Revenue Fund 1 |
|--------------------|--|
| 2010 | (\$1,326,000) |
| 2011 | (\$1,352,520) |
| 2012 | (\$1,379,570) |
| 2013 | (\$1,407,162) |
| 2014 | (\$1,435,305) |

Fiscal Analysis

The bill would amend the Labor Code relating to the establishment of additional job incentive programs by the Texas Workforce Commission using the skills development fund.

The bill would remove the requirement that students demonstrate financial need to qualify for subsidies for industry certification exams provided to students enrolled in a career and technology program that pass an exam and earn a certification for employment in high-demand, high-wage, or high-skill fields. The bill would extend subsidies to any student served through special education who passes a certification examination to qualify for employment. The bill would establish that students would apply to the school district for a subsidy of certification examination costs and would direct that the Commissioner of Education would reimburse school districts for the amount of any qualifying

subsidies paid.

The bill would establish that the Commissioner of Education, the Commissioner of Higher Education, and the Texas Workforce Commission would determine which fields would be designated as high-demand, high-wage, or high-skill.

Based on the analysis of the the Texas Education Agency (TEA) and the Higher Education Coordinating Board, duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing resources.

The provisions of this bill would take effect immediately if passed with the necessary voting margins, or September 1, 2009.

Methodology

According to the analysis by the TEA, recent data show that approximately 25,000 students earned industry certifications by examination in fiscal year 2007, and that approximately 52 percent of students enrolled in career and technology education programs are also identified as economically disadvantaged. Assuming a 2 percent annual increase in the number of students earning industry certifications by examination, the cost of the expansion of subsidies for industry certification examinations to non-economically disadvantaged students is estimated at \$1.33 million in fiscal year 2010, \$1.35 million in fiscal year 2011, and increasing to \$1.44 million by fiscal year 2014.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 320 Texas Workforce Commission, 701 Central Education Agency, 781 Higher Education Coordinating Board

LBB Staff: JOB, JRO, MW, NV

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

May 21, 2009

TO: Honorable Chris Harris, Chair, Senate Committee on Economic Development

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB2169 by Chavez (Relating to the establishment of additional job incentive programs by the Texas Workforce Commission using the skills development fund.), **As Engrossed**

No fiscal implication to the State is anticipated.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 320 Texas Workforce Commission

LBB Staff: JOB, JRO, NV

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

March 20, 2009

TO: Honorable Mark Strama, Chair, House Committee on Technology, Economic Development & Workforce

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB2169 by Chavez (Relating to the establishment of additional job incentive programs by the Texas Workforce Commission using the skills development fund.), **As Introduced**

No fiscal implication to the State is anticipated.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 320 Texas Workforce Commission

LBB Staff: JOB, JRO, NV