

- SUBJECT:** Continuing TCWEC as the Texas Workforce Investment Council
- COMMITTEE:** Economic Development — favorable, without amendment
- VOTE:** 5 ayes — J. Keffer, Homer, Rodriguez, Thompson, Wong
0 nays
2 absent — Isett, Hughes
- SENATE VOTE:** On final passage, April 25 — 31-0
- WITNESSES:** *(On House companion bill, HB 2171:)*
For — *(Registered, but did not testify:)* Mary Ross
Against — None

On — Susan Maxwell, Texas Council for Developmental Disabilities;
(Registered, but did not testify:) Cheryl Fuller and Lee Rector, Texas Council
on Workforce and Economic Competitiveness; Ginny McKay, Sunset
Advisory Commission
- BACKGROUND:** The Texas Council on Workforce and Economic Competitiveness (TCWEC) was created by the 73rd Legislature in 1993 to plan and evaluate Texas' workforce development system, which includes programs and activities in the Texas Workforce Commission (TWC), Department of Human Services (DHS), Texas Higher Education Coordinating Board (THECB), Texas Department of Economic Development (TDED), and State Board of Education (SBOE). TCWEC develops a five-year strategic plan for the state workforce development system, evaluates the system through performance measures, and conducts research and publishes reports.

TCWEC has 12 full-time employees and is attached administratively to the Governor's Office. The council comprises 20 members representing various interest groups, including:
- five members representing business;

- five members representing labor;
- three members representing education;
- two members representing community-based organizations; and
- five ex-officio members from TWC, DHS, THECB, TDED, and SBOE.

The 15 nonagency members are appointed by the governor. The five ex-officio agency members are the presiding officer or chair of each agency. The governor appoints one representative from labor or business to serve as the council's presiding officer.

The council was grandfathered under the 1998 federal Workforce Investment Act and serves as the mandated state workforce investment board under that act. In this capacity, TCWEC must develop a single five-year plan across state agencies, approve the designation of local workforce development board areas, develop performance measures, and review local workforce board plans.

The council's fiscal 2002-03 budget was about \$2 million. Its authority will expire on September 1, 2003, unless continued by the Legislature.

DIGEST:

SB 281 would continue TCWEC until September 1, 2015, but would rename it the Texas Workforce Investment Council (TWIC).

The bill would reduce the number of council members from 20 to 19, eliminating one community-based organization representative. The commissioners of education, higher education, and human services and the executive directors of TDED and TWC, rather than the presiding officer or chair of those agencies, would serve as the ex-officio agency members on the council. The council's presiding officer would serve in that capacity at the governor's pleasure.

TWIC would have to evaluate programs in Texas' workforce development system to identify duplication of services, gaps in programs, or any other problems affecting workforce development services and would have to implement strategies to address those problems. The council also would have to include information about problems and measures taken to address those problems in its annual report to the governor. TWIC's long-range strategies

would have to identify each agency responsible for implementing each strategy and include a time frame for each strategy's implementation.

SB 281 would transfer TWIC's automated follow-up and evaluation system to TWC, which would be responsible for compiling and analyzing these data on workforce development trends and outcomes.

The bill also would add standard sunset language governing equal employment opportunity, separation of council and agency functions, grounds for removal, standards of conduct, training of council members, encouraging public testimony, handling of public complaints, and information on the State Employee Incentive Program.

The bill would take effect September 1, 2003.

**SUPPORTERS
SAY:**

By continuing the state's designated workforce investment board under the federal Workforce Investment Act, SB 281 would allow Texas to continue to receive \$229 million in federal workforce development funds. Federal money makes up a substantial amount of job training and workforce development funding in the state. These programs allow Texas to remain economically competitive and to provide program participants with the skills needed to succeed in today's economy.

The bill would address problems with TCWEC identified in the Sunset Advisory Commission's 2002 report. By requiring the commissioner or executive director of each member agency to serve on the council, SB 281 would increase agency participation in the council. The bill would improve efficiency by requiring the council to identify and address duplications and gaps in the state's workforce development system. It also would tie agencies more directly to the workforce development strategies they are charged with executing. Transferring the automated follow-up and evaluation system to TWC would improve management of this system, since TWC has more expertise in this area.

The bill would reduce council membership from 20 to 19 members in compliance with a 1999 amendment to Texas Constitution, Art. 16, sec. 30a, that requires an odd number of board members.

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OPPONENTS SAY: The bill should not eliminate one of the two community-based organization representatives on the council, since local nonprofit organizations play a vital role in job training and workforce development activities throughout Texas.

NOTES: The House companion bill, HB 2171 by Solomons, et al., was reported favorably, as substituted, by the Economic Development Committee on April 23.