

SUBJECT: Veterans preferences in job training and employment assistance programs

COMMITTEE: Defense Affairs and State-Federal Relations — favorable, without amendment

VOTE: 6 ayes — Corte, Campbell, Berman, Herrero, Hodge, Leibowitz

0 nays

3 absent — Merritt, P. Moreno, Noriega

WITNESSES: For — Michael Palmquist, American Legion Department of Texas

Against — None

On — Luis Macias, Texas Workforce Commission; (*Registered, but did not testify*: John McKinny)

BACKGROUND: Government Code, ch. 657 entitles veterans to a preference in hiring and appointments with public entities over applicants with equal qualifications. To be eligible for this preference, a veteran must:

- have served in the military for at least 90 consecutive days during a national emergency or have been discharged from the military for a service-related disability;
- have been honorably discharged; and
- be competent.

DIGEST: HB 2604 would require job training or employment assistance programs or services that receive state funding to give preference to veterans. To be eligible for this preference, a veteran would have to meet the minimum eligibility requirements of the program or service and would have to qualify for preference in hiring under Government Code, ch. 657.

If this preference conflicted with federal law or a limitation provided by a federal grant, it would be void and have no effect.

The bill would take effect September 1, 2005.

**SUPPORTERS
SAY:**

HB 2604 would help veterans catch up on the employment training they missed while in the military and thus give them an opportunity to more equally compete for employment against other individuals.

Veterans often face added difficulties reintegrating into the workforce upon their return from service, and veterans consequently have a higher unemployment rate than average. In particular, veterans often are at a disadvantage in the workplace because they have less civilian work experience than their colleagues and because they have missed opportunities for training and advancement while they were serving. Many also may have put off college or skipped it altogether. As a result, veterans often return to the workforce significantly behind colleagues their age. For this reason, the U.S. Department of Labor (DOL) requires programs receiving DOL funding to provide preference to veterans. HB 2604 would extend this priority to programs receiving funding from the state. By helping veterans catch up with this training, the bill would reduce the disadvantage veterans face in the workforce and enable them to attain more advanced and better paying employment.

HB 2604 would not provide veterans with an unfair or undeserved preference. These veterans still would have to qualify for the employment programs and services, many of which impose income restrictions to ensure that all applicants have an economic need. All other things being equal, however, a low-income veteran should receive preference over other low-income individuals in return for the service the veteran has provided to the state and nation.

It is the clear intent of the bill is to provide veterans with a preference in job training and services necessary to complete that training. The bill is not intended to affect the distribution of state-funded child care services, and would affect only those child care services that are required in order to receive training. Similarly, employers would be able to set criteria for their skills development or other training programs in order to direct the most appropriate employees to the training, as long as those criteria did not single out veterans. Veterans then would have to qualify for these programs like any other employee prior to receiving preference.

The definition of veteran used in the bill is the same as that contained in current state labor statutes. Using this definition would provide continuity with other state statutes.

OPPONENTS
SAY:

Giving preference to veterans in employment programs and services could take a spot from someone with greater need who did not receive the myriad benefits enjoyed by veterans. In particular, the bill could have a significant impact on the provision of at-risk child care by local workforce development boards, since this child care is considered an employment assistance program. At-risk child care is provided to some low-income parents so they can work or attend training or educational classes. Parents who are classified as at-risk for receiving public assistance, and who are not eligible for two income-based Texas Workforce Commission (TWC) child care options through Temporary Assistance to Needy Families, may receive funding. More than 30,000 children currently are on waiting lists across the state for these services, and giving priority to veterans would mean that the children of potentially needier non-veterans would be moved down the list and might not receive this care. Employment programs and services should be allowed to take economic need into account prior to awarding any preferences.

The bill also would affect the Skills Development Fund, Self-Sufficiency Fund, and Apprenticeship program. Employers receiving funding through these programs would be required to give veterans priority over other candidates during the selection process, reducing their ability to select from a more diverse group of applicants. Employers should be able to retain the flexibility they need to select the most appropriate candidates for training.

The definition of a veteran used in the bill is different from that in federal statute, which requires a veteran to have served on active duty for more than 180 days to be eligible for readjustment and related benefits. Because TWC implements both federal and state programs and services, the agency would have to put in place systems for determining eligibility for each program or service, increasing the difficulty of creating a single, integrated system. Staff also would have to be trained on the different definitions of veterans and when to apply each one. Some computer systems also would require programming changes to implement the bill's provisions, resulting in a cost to the state.