

## **BILL ANALYSIS**

Senate Research Center

H.B. 939  
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Economic Development  
5/6/2013  
Engrossed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

The employment and training investment assessment is imposed on each employer paying contributions under the Texas Unemployment Compensation Act as a separate assessment of one-tenth of one percent of wages paid by an employer. Money from the assessment is deposited to the credit of the employment and training investment holding fund. According to Texas Workforce Commission (TWC) projections, the assessment is projected to collect an estimated \$95 million from employers in 2013. Money in the holding fund is meant, in part, to finance the skills development fund. However, the skills development fund has been funded with general revenue at a base level of almost \$50 million per biennium for several bienniums.

Currently, the Texas Labor Code states that up to the amount appropriated for the skills development fund can be transferred from the employment and training investment assessment holding fund to the skills development fund but only if TWC determines that the amount in the unemployment compensation fund, which also derives money from the holding fund, will exceed 100 percent of its floor as computed on October 1. A transfer from the employment and training investment holding fund to the skills development fund has not occurred in several years because the unemployment compensation fund has been below the floor, causing the funds in the employment and training investment holding fund to be transferred directly into the unemployment trust fund.

H.B. 939 amends current law relating to the transfer of certain amounts from the employment and training investment holding fund and the training stabilization fund.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. TRANSFER. Provides that, on the effective date of this Act:

(1) 15 percent of the amount in the employment and training investment holding fund under Section 204.122 (Holding Fund), Labor Code, and 15 percent of the amount in the training stabilization fund under Section 302.101 (Training Stabilization Fund), Labor Code, are required to be transferred to the Texas Workforce Commission (TWC) to be used for one-time expenses related to workforce development or the administration of Subtitle A (Texas Unemployment Compensation Act), Title 4 (Employment Services and Unemployment), Labor Code; and

(2) TWC is required to transfer 15 percent of the total amount received by TWC under Subdivision (1) of this section to the Texas Veterans Commission to be used to fund employment programs for veterans.

SECTION 2. EFFECTIVE DATE. Effective date: September 1, 2013.