

## **BILL ANALYSIS**

Senate Research Center  
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S.B. 208  
By: Campbell et al.  
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### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

The Texas Workforce Commission (TWC) oversees and provides workforce development services to employers and job seekers. TWC contracts with 28 local workforce development boards to provide a variety of services, such as job training, employment services, and child care. The agency also administers the state's unemployment insurance (UI) system and enforces state law to prevent and reduce employment and housing discrimination.

TWC is subject to the Sunset Act and will be abolished on September 1, 2015, unless continued by the Legislature. The Sunset Commission concluded that the agency's functions are needed and have benefitted from integration into a single, locally driven workforce system. S.B. 208 furthers that concept by transferring services to help people with disabilities in finding jobs from the Department of Assistive and Rehabilitative Services (DARS) to TWC, along with other changes to improve several of TWC's current programs.

S.B. 208:

- Transfers the Vocational Rehabilitation program from DARS to TWC to improve employment outcomes for people with disabilities.
- Requires the integration of DARS' two separate Vocational Rehabilitation programs to eliminate administrative duplication and better serve consumers.
- Authorizes TWC to participate in the federal treasury offset program, enabling TWC to recover millions in outstanding unemployment compensation debts.
- Transfers the powers and duties of the Human Rights Commission to the TWC's three-member commission and streamlines the Civil Rights Division's functions.
- Focuses TWC on better managing its child care program for success to ensure the effective use of the program's \$489 million in annual funding.
- Requires posting of career school enforcement actions and eliminates statutory career school fees and fee caps.
- Continues the Texas Workforce Commission for 12 years.

As proposed, S.B. 208 amends current law relating to the continuation and functions of the Texas Workforce Commission.

### **RULEMAKING AUTHORITY**

Rulemaking authority previously granted to the Texas Workforce Commission modified in SECTION 5 (Section 2308.3155, Government Code)

Rulemaking authority is expressly granted to the Texas Workforce Commission in SECTION 2 (Section 132.201, Human Resources Code) and SECTION 14 (Section 21.453, Labor Code) of this bill.

Rulemaking authority is expressly granted to the executive commissioner of the Health and Human Services in SECTION 10 (Sections 119.003, 119.007, 119.054, 119.057, 119.058, 119.103, 119.104, and 119.106, Human Resources Code) of this bill.

Rulemaking authority previously granted to the Texas Commission for the Blind is transferred to the executive commissioner in SECTION 11 (Section 120.006, Human Resources Code) of this bill.

Rulemaking authority previously granted to TWC is rescinded in SECTION 27 (Section 91.016, Human Resources Code) of this bill.

Rulemaking authority previously granted to the board of the Texas Rehabilitation Commission is rescinded in SECTION 27 (Section 111.016, Human Resources Code) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Subchapter B, Chapter 132, Education Code, by adding Section 132.025, as follows:

Sec. 132.025. **REQUIRED POSTING.** Requires the Texas Workforce Commission (TWC), to facilitate a prospective student's informed selection among career schools and colleges, to include in its searchable directory of career schools and colleges maintained on its Internet website information regarding any formal enforcement action taken by TWC against a school or college, including:

- (1) any revocation of the school's or college's certificate of authority;
- (2) any assessment of administrative penalties against the school or college; and
- (3) any suspension of admission of students to the school or college.

SECTION 2. Amends Sections 132.201(a), (d), (e), and (f), Education Code, as follows:

(a) Requires certificate and registration fees, except those charged pursuant to Subsection (d), to be collected by TWC. Requires TWC by rule to determine the amount of each fee. Deletes existing text requiring each fee to be in an amount set by TWC in an amount not to exceed 150 percent of each fee according to a schedule set forth in this subsection.

(d) Requires TWC, in connection with the regulation of any career school or college or program through a memorandum of understanding pursuant to Section 132.002(c) (relating to licensing agencies entering into a memorandum of understanding with TWC for regulation of excess course hours), by rule to set an application and annual renewal fee in an amount reasonably calculated, rather than an application and annual renewal fee not to exceed \$2,000, to cover the administrative costs associated with assuming the additional regulation.

(e) Requires TWC by rule to determine the amount of a fee for an investigation at a career school or college to resolve a complaint filed against the school or college. Deletes existing text providing that the fee for an investigation at a career school or college to resolve a complaint filed against the school or college is \$600. Authorizes the fee to be charged only if:

- (1) the complaint could not have been resolved by telephone or written correspondence only;
- (2) a representative of TWC visits the school or college as a part of the complaint resolution process; and
- (3) the school or college is found to be at fault.

(f) Authorizes TWC to assess a reasonable service charge or interest to be paid by a career school or college that pays a fee by installment, rather than assess a reasonable service charge or interest to be paid by a career school or college that pays a fee by installment in an amount not to exceed 10 percent annually of the fee that is to be paid by installment. Makes no further change to this subsection.

SECTION 3. Amends Section 1001.104, Education Code, as follows:

Sec. 1001.104. HOSPITAL AND REHABILITATION FACILITIES. (a) Requires the Texas Education Agency (TEA) to enter into a memorandum of understanding with the state agency responsible for administering the vocational rehabilitation program under Title 7-A, Human Resources Code, rather than the Texas Rehabilitation Commission (TRC), and the Department of Public Safety of the State of Texas (DPS) for the interagency development of curricula and licensing criteria for hospital and rehabilitation facilities that teach driver education.

(b) Requires TEA to administer comprehensive rules governing driver education courses adopted by mutual agreement among TEA, the state agency responsible for administering the vocational rehabilitation program under Title 7-A, Human Resources Code, rather than TRC, and DPS.

SECTION 4. Amends Section 411.117, Government Code, as follows:

Sec. 411.117. ACCESS TO CRIMINAL HISTORY RECORD INFORMATION; DEPARTMENT OF ASSISTIVE AND REHABILITATIVE SERVICES AND TEXAS WORKFORCE COMMISSION. (a) Creates subsection from existing text and makes no further change to this subsection.

(b) Entitles TWC, if TWC receives federal approval to administer vocational rehabilitation services and other services and programs under Title 7-A, Human Resources Code, to obtain from DPS criminal history record information maintained by DPS that relates to a person who is:

- (1) an applicant selected for employment with TWC whose potential duties include direct contact with clients to provide vocational rehabilitation services;
- (2) an applicant for vocational rehabilitation services from TWC; or
- (3) a client receiving vocational rehabilitation services under Chapter 119, Human Resources Code.

SECTION 5. Amends Section 2308.3155(b), Government Code, as follows:

(b) Requires TWC to adopt rules to administer the Texas Rising Star Program, including:

- (1) creates this subdivision from existing text and makes no further change; and
- (2) a timeline and process for regularly reviewing and updating the quality standards used to determine the rating system that includes TWC's consideration of input from interested parties regarding those standards.

SECTION 6. Amends the heading to Subchapter C, Chapter 91, Human Resources Code, to read as follows:

SUBCHAPTER C. GENERAL POWERS AND DUTIES

SECTION 7. Amends Subchapter C, Chapter 91, Human Resources Code, by adding Section 91.0211, as follows:

Sec. 91.0211. SERVICE DELIVERY BY TEXAS WORKFORCE COMMISSION. Provides that if TWC receives federal approval to administer vocational rehabilitation services and other services and programs under Title 7-A:

- (1) TWC has primary responsibility for providing those services and programs, notwithstanding Section 91.021(a) (relating to TWC's primary responsibilities); and
- (2) a power or duty under this chapter, including rulemaking authority, of the Department of Assistive and Rehabilitative Services (DARS), the commissioner of assistive and rehabilitative services (commissioner), or the executive commissioner of the Health and Human Services Commission (executive commissioner) (HHSC) that is applicable to those services or programs is a power or duty of TWC with respect to those services or programs.

SECTION 8. Amends Subchapter C, Chapter 111, Human Resources Code, by adding Section 111.0511, as follows:

Sec. 111.0511. SERVICE DELIVERY BY TEXAS WORKFORCE COMMISSION. Provides that if TWC receives federal approval to administer vocational rehabilitation services and other services and programs under Title 7-A:

- (1) TWC has primary responsibility for providing those services and programs, notwithstanding Section 111.051 (Commission as Principal Authority);
- (2) a power or duty under this chapter, including rulemaking authority, of DARS, the commissioner, or the executive commissioner that is applicable to those services or programs is a power or duty of TWC with respect to those services or programs; and
- (3) all other state agencies engaged in vocational rehabilitation services or related services or programs shall coordinate those activities with TWC.

SECTION 9. Amends Subchapter D, Chapter 117, Human Resources Code, by adding Section 117.0711, as follows:

Sec. 117.0711. SERVICE DELIVERY BY TEXAS WORKFORCE COMMISSION. Provides that if TWC receives federal approval to administer vocational rehabilitation services and other services and programs under Title 7-A:

- (1) TWC has primary responsibility for providing those services and programs, notwithstanding Section 117.071 (General Powers and Duties of Department); and
- (2) a power or duty under this chapter, including rulemaking authority, of DARS, the commissioner, or the executive commissioner that is applicable to those services or programs is a power or duty of TWC with respect to those services or programs.

SECTION 10. Amends the Human Resources Code by adding Title 7-A, as follows:

TITLE 7-A. VOCATIONAL REHABILITATION AND CERTAIN OTHER SERVICES FOR  
PERSONS WITH DISABILITIES

CHAPTER 118. GENERAL PROVISIONS; RESPONSIBILITY FOR ADMINISTRATION  
OF SERVICES

Sec. 118.001. DEFINITIONS. Defines "commission," "department," "executive commissioner," and "executive director."

Sec. 118.002. RESPONSIBILITY FOR ADMINISTRATION OF SERVICES. (a) Requires DARS to administer the services and programs under this title until:

(1) DARS or TWC receives federal approval under Subsection (b) to transfer the administration of the services and programs to TWC; and

(2) TWC publishes in the Texas Register:

(A) that DARS or TWC received federal approval to transfer the administration of the services and programs to TWC; and

(B) the date on which the transfer of the administration of the services and programs to TWC will occur.

(b) Requires DARS or TWC, as appropriate, to seek federal approval under this section to:

(1) transfer to TWC not later than September 1, 2016, administration of the services and programs under this title that DARS operates under the federal Rehabilitation Act of 1973 (29 U.S.C. Sections 720 through 751), including:

(A) the vocational rehabilitation program for individuals with visual impairments;

(B) the vocational rehabilitation program for individuals with other disabilities;

(C) the federal Social Security Disability Determination program; and

(D) the program for vending facilities operated by blind persons under Chapter 120; and

(2) designate TWC as the state unit under 29 U.S.C. Section 721 that is responsible for administering the state's vocational rehabilitation program.

(c) Provides that, on the date the services and programs described by Subsection (b)(1) transfer to TWC, the Rehabilitation Council of Texas (council) transfers to TWC.

(d) Provides that this section expires September 1, 2019.

Sec. 118.003. INTEGRATION OF VOCATIONAL REHABILITATION PROGRAMS; PROGRAM STAFF. (a) Requires TWC to integrate the vocational rehabilitation staff from DARS offices into TWC's local workforce development boards and centers, subject to receiving federal approval under Section 118.002 for TWC to administer the services and programs under this title and not later than August 31, 2018.

(b) Provides that this section expires September 1, 2019.

Sec. 118.004. REFERENCES IN LAW MEANING TEXAS WORKFORCE COMMISSION OR ITS EXECUTIVE DIRECTOR. Provides that a reference to the commissioner of assistive and rehabilitative services, DARS, or the executive commissioner means TWC or executive director, as applicable, if the administration of this title is transferred from DARS to TWC.

CHAPTER 119. VOCATIONAL REHABILITATION SERVICES  
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 119.001. DEFINITIONS. Defines "direct services," "direct services program," "individual with a disability," "maintenance," "occupational license," "physical restoration," "prosthetic appliance," "rehabilitation training," "substantial impediment to employment," and "vocational rehabilitation" or "vocational rehabilitation services."

Sec. 119.002. PURPOSE. Provides that it is the policy of this state to provide vocational rehabilitation services to eligible individuals with disabilities so that those individuals may prepare for and engage in a gainful occupation.

Sec. 119.003. REHABILITATION COUNCIL OF TEXAS. (a) Provides that the council operates in accordance with the federal Rehabilitation Act Amendments of 1992, Pub. L. No. 102-569, and the federal Rehabilitation Act Amendments of 1998, Pub. L. No. 105-220.

(b) Requires the council to report to and advise DARS on the council's activities and the results of the council's work. Requires the council, for the purpose of performing its advisory functions, to work with DARS, the commissioner, and other DARS staff.

(c) Requires the executive commissioner to adopt rules for the administration of the council.

Sec. 119.004. RECEIPT AND DISBURSEMENT OF STATE AND FEDERAL FUNDS. (a) Provides that the comptroller of public accounts of the State of Texas (comptroller) is custodian of federal funds received by the state to implement federal law relating to vocational rehabilitation.

(b) Requires the executive commissioner to certify for disbursement funds available for the vocational rehabilitation program in accordance with regulations.

(c) Requires the comptroller to disburse state and federal vocational rehabilitation funds on certification by the executive commissioner.

Sec. 119.005. GIFTS, DONATIONS, AND OTHER MONEY. (a) Requires DARS to deposit all money paid to DARS under this chapter in the state treasury. Authorizes the money to be used only for the administration of this chapter.

(b) Authorizes DARS to receive and use gifts and donations for carrying out the purposes of this chapter. Prohibits a person from receiving payment for solicitation of any funds.

Sec. 119.006. MISUSE OF INFORMATION. Provides that, except for purposes directly connected with the administration of the vocational rehabilitation program and according to DARS rules, no person may solicit, disclose, receive, use, or knowingly permit the use of records or other information concerning an applicant for or recipient of vocational rehabilitation services that is directly or indirectly acquired by an officer or employee of the state or its political subdivisions in the course of the person's official duties.

Sec. 119.007. CRIMINAL HISTORY RECORD INFORMATION. (a) Authorizes DARS to obtain criminal history record information from the Texas Department of Criminal Justice (TDCJ) and DPS if the criminal history records relate to:

(1) an applicant selected for employment with DARS whose potential duties include direct contact with clients to provide vocational rehabilitation services;

- (2) an applicant for vocational rehabilitation services from DARS; or
- (3) a client receiving vocational rehabilitation services under this chapter.

(b) Requires TDCJ and DPS on request to supply to DARS criminal history record information relating to applicants selected for employment with DARS whose potential duties include direct contact with clients to provide vocational rehabilitation services, applicants for vocational rehabilitation services from DARS, or vocational rehabilitation clients of DARS. Requires DARS to treat all criminal history record information as privileged and confidential and for DARS use only.

(c) Requires the executive commissioner by rule to establish criteria for denying a person's application for employment with DARS to provide vocational rehabilitation services based on criminal history record information obtained as authorized by this section.

Sec. 119.008. HEARINGS. Entitles an applicant for or recipient of vocational rehabilitation services who is aggrieved by an action or inaction under this chapter to a hearing by DARS in accordance with law.

#### SUBCHAPTER B. GENERAL POWERS AND DUTIES

Sec. 119.051. VOCATIONAL REHABILITATION PROGRAM FOR INDIVIDUALS WITH DISABILITIES. (a) Requires DARS to conduct a program to provide vocational rehabilitation services to eligible individuals with disabilities.

(b) Authorizes DARS, to achieve the purposes of the program, to:

- (1) cooperate with other public and private agencies in studying the problems involved in providing vocational rehabilitation and in establishing, developing, and providing necessary or desirable facilities and services;
- (2) enter into reciprocal agreements with other states to provide vocational rehabilitation for the residents of the states concerned; and
- (3) conduct research and compile statistics relating to the vocational rehabilitation of individuals with disabilities.

Sec. 119.052. COOPERATION WITH FEDERAL GOVERNMENT; OBTAINING FEDERAL FUNDS. (a) Requires DARS to cooperate with the federal government to accomplish the purposes of federal laws relating to vocational rehabilitation for individuals with disabilities and closely related activities.

(b) Requires DARS to negotiate agreements or plans with the federal government and to use efficient methods of administration and comply with other conditions required to secure the full benefits of the federal laws. Authorizes DARS to waive or modify the state law to the extent necessary to obtain the full benefits of the federal law if DARS determines that a provision of state law precludes conformity with a federal requirement and limits federal financial support.

(c) Authorizes DARS to comply with any requirements necessary to obtain federal funds to be used for vocational rehabilitation services in the maximum amount and most advantageous proportion possible.

Sec. 119.053. CONTRACTS FOR SERVICE. (a) Requires DARS to include in its contracts with service providers under this chapter provisions set forth in this section.

(b) Requires DARS to monitor a service provider's performance under a contract for service under this chapter. Requires DARS, in monitoring performance, to:

(1) use a risk-assessment methodology to institute statewide monitoring of contract compliance of service providers; and

(2) evaluate service providers based on clearly defined and measurable program performance objectives.

Sec. 119.054. RATES FOR MEDICAL SERVICES. (a) Requires the executive commissioner by rule to adopt standards governing the determination of rates paid for medical services provided under this chapter. Requires that the rules provide for an annual reevaluation of the rates.

(b) Requires the executive commissioner to establish a schedule of rates based on the standards adopted under Subsection (a). Requires the executive commissioner, in adopting the rate schedule, to:

(1) compare the proposed rate schedule to other cost-based and resource-based rates for medical services, including rates paid under the Medicaid and Medicare programs; and

(2) for any rate adopted that exceeds the Medicaid or Medicare rate for the same or a similar service, document the reasons why the adopted rate reflects consideration of the best value, provider availability, and consumer choice.

(c) Requires the executive commissioner to provide notice to interested persons and allow those persons to present comments before adopting the standards and schedule of rates under Subsections (a) and (b).

Sec. 119.055. CONTRACT PAYMENT. Requires DARS to base payment under a contract for vocational rehabilitation services on outcome-based performance standards defined in the contract.

Sec. 119.056. CONTRACTS FOR ADAPTIVE TECHNOLOGY. Requires DARS to include in a contract under this chapter with a supplier of adaptive technology equipment provisions that require the supplier to provide training for clients receiving the adaptive technology equipment.

Sec. 119.057. LOANS FOR VISUAL AIDS. (a) Authorizes DARS to establish a program to make loans to finance the purchase of technological aids for individuals with visual impairments. Prohibits interest on the loans from exceeding 10 percent per year.

(b) Authorizes the executive commissioner to adopt rules to administer the loan program.

Sec. 119.058. SUBROGATION. (a) Provides that, by providing a person rehabilitation services, including medical care services, under this subchapter, DARS is subrogated to the person's right of recovery from personal insurance, another person for personal injury caused by the other person's negligence or wrongdoing, or any other source.

(b) Provides that DARS's right of subrogation is limited to the cost of the services provided.

(c) Authorizes DARS to totally or partially waive DARS's right of subrogation when DARS finds that enforcement would tend to defeat the purpose of rehabilitation.



(d) Authorizes the executive commissioner to adopt rules for the enforcement of DARS's right of subrogation.

Sec. 119.059. WORK INCENTIVES AND SUPPLEMENTAL SECURITY INCOME (SSI). Requires DARS to employ a person at DARS's central office to:

- (1) train counselors to understand and use work incentives; and
- (2) review cases to ensure that DARS clients are informed of the availability of and assisted in obtaining work incentives and Supplemental Security Income (SSI) (42 U.S.C. Section 1381 et seq.).

#### SUBCHAPTER C. VOCATIONAL REHABILITATION SERVICES

Sec. 119.101. INTEGRATION OF VOCATIONAL REHABILITATION PROGRAMS.

(a) Requires DARS, subject to federal approval, to integrate into a single vocational rehabilitation program the following programs that are operated under the federal Rehabilitation Act of 1973 (29 U.S.C. Sections 720 through 751):

- (1) the vocational rehabilitation program for individuals with visual impairments; and
- (2) the vocational rehabilitation program for individuals with other disabilities.

(b) Requires DARS, not later than September 1, 2016, to facilitate the integration of the vocational rehabilitation programs identified in Subsection (a), to at a minimum perform certain tasks set forth in this subsection.

(c) Provides that this section expires September 1, 2017.

Sec. 119.102. ELIGIBILITY FOR VOCATIONAL REHABILITATION SERVICES. Requires DARS to provide vocational rehabilitation services to individuals with disabilities eligible for those services under federal law.

Sec. 119.103. PROVISION OF VOCATIONAL REHABILITATION SERVICES. (a) Requires the executive commissioner by rule to establish and maintain guidelines for providing vocational rehabilitation services that are consistent with state and federal laws and that include certain functions and requirements set forth in this section.

(b) Requires DARS to annually assess the effectiveness of the state's vocational rehabilitation program.

Sec. 119.104. TRAINING AND SUPERVISION OF COUNSELORS. (a) Requires DARS to provide specific guidance to vocational rehabilitation counselors by means set forth in this section.

(b) Requires the executive commissioner by rule to require monitoring and oversight of vocational rehabilitation counselor performance and decision making in accordance with this section.

Sec. 119.105. SPECIALIZED TRAINING FOR CERTAIN EMPLOYEES. (a) Requires DARS to establish and require employee participation in a specialized training program for certain employees, including vocational rehabilitation transition specialists and transition counselors, whose duties involve assisting youth with disabilities to transition to post-schooling activities, services for adults, or community living.

(b) Requires that the training program provide employees with information regarding:

(1) supports and services available from health and human services agencies, as defined by Section 531.001 (Definitions), Government Code, for:

- (A) youth with disabilities who are transitioning into post-schooling activities, services for adults, or community living; and
- (B) adults with disabilities;

(2) community resources available to improve the quality of life for:

- (A) youth with disabilities who are transitioning into post-schooling activities, services for adults, or community living; and
- (B) adults with disabilities; and

(3) other available resources that may remove transitional barriers for youth with disabilities who are transitioning into post-schooling activities, services for adults, or community living.

(c) Requires DARS, in developing the training program required by this section, to collaborate with health and human services agencies, as defined by Section 531.001, Government Code, as necessary.

Sec. 119.106. PAYMENT OF SHIFT DIFFERENTIALS. Authorizes the executive commissioner by rule to develop and implement policies allowing shift differentials to be paid to employees in the vocational rehabilitation program under this chapter.

Sec. 119.107. CLIENT ORIENTATION MATERIALS. Requires DARS to develop and distribute at intake client orientation materials for the vocational rehabilitation program that include information on DARS's decision-making criteria.

Sec. 119.108. COORDINATION WITH TEXAS EDUCATION AGENCY. (a) Defines "transition services."

(b) Requires DARS and TEA to collaborate to develop a mechanism to identify the areas of the state with the greatest needs for transition services for students with disabilities. Requires that the mechanism account for DARS's limited resources and a school district's needs, including the criteria set forth in this subsection.

(c) Requires DARS and TEA to update the mechanism developed under Subsection (b) on a periodic basis.

(d) Requires DARS to develop uniform, statewide policies for transition services that include certain criteria set forth in this subsection.

(e) Requires DARS and TEA to enter into a memorandum of understanding to comply with the policies under this section and to improve coordination between the agencies. Requires that the memorandum of understanding include:

- (1) strategies to better inform transition clients, clients' families, and school personnel regarding DARS's available services and contact information for DARS transition counselors; and
- (2) a process to be used by DARS and TEA to develop and update the mechanism used to identify students who may need services.

(f) Requires DARS and TEA to develop the mechanism required in Subsection (b) and enter into the memorandum of understanding required in Subsection (e), and DARS to develop the policies described in Subsection (d) not later than September 1, 2016. Provides that this subsection expires September 1, 2017.

## CHAPTER 121. SOCIAL SECURITY DISABILITY DETERMINATION SERVICES

Sec. 121.001. COOPERATION WITH FEDERAL GOVERNMENT ON SOCIAL SECURITY DISABILITY DETERMINATION SERVICES. Authorizes DARS to make agreements, arrangements, or plans to cooperate with the federal government in carrying out the purposes of any federal statute pertaining to the disability determination function under the Social Security Act to the extent resources are made available by the federal government.

Sec. 121.002. METHODS OF ADMINISTRATION. Requires the executive commissioner, to achieve the purposes of Section 121.001, to adopt methods of administration that:

- (1) are found by the federal government to be necessary to the disability determination function; and
- (2) are not contrary to existing state laws.

SECTION 11. Transfers Chapter 94, Human Resources Code, to Title 7-A, Human Resources Code, as added by this Act, redesignates it as Chapter 120, Human Resources Code, and amends it as follows:

### CHAPTER 120. VENDING FACILITIES OPERATED BY BLIND PERSONS

Redesignates Chapter 94 as Chapter 120.

Sec. 120.001. DEFINITIONS. Redesignates Section 94.001 as Section 120.001. Provides that, in this chapter:

- (1) Makes no change to this subdivision;
- (2) Redefines "vending facility."
- (3) and (4) Makes no change to these subdivision;
- (5) Defines "disability," rather than "handicapped," to mean a physical or mental condition that the Department of Assistive and Rehabilitative Services (DARS), rather than the Texas Commission for the Blind or the Texas Rehabilitation Commission, determines to constitute a substantial vocational disadvantage.
- (6) and (7) Deletes existing text defining "commission" and "rehabilitation commission."

Sec. 120.002. LICENSE OR PERMIT REQUIRED. Redesignates existing Section 94.002 as Section 120.002. (a) Changes a reference to Texas Commission for the Blind to DARS.

- (b) Provides that subsection (a) does not apply to a building in which the Texas Facilities Commission, rather than the State Purchasing and General Services Commission, leases space to a private tenant under Subchapter E (Lease of Space in State-owned Buildings to Private Tenants), Chapter 2165, Government Code. Makes a nonsubstantive change.

Sec. 120.003. LICENSING PROCEDURE. Redesignates existing Section 94.003 as Section 120.003. (a) Changes reference to commission to DARS.

- (b) Requires TDHS, rather than the Texas Commission for the Blind (commission), to either license a blind person to operate a facility to be installed by the TDHS or install a facility to be operated by a person with a disability who

is not blind according to rules and procedures adopted by the executive commissioner if the installation of the facility is feasible.

Deletes existing text requiring the commission to either license a blind person to operate a facility to be installed by the commission or allow the rehabilitation commission to install a facility to be operated by a handicapped person who is not blind according to rules and procedures comparable to those adopted by the commission, and authorizing the commission and the rehabilitation commission to enter into agreements relating to management services and related forms of necessary assistance.

Sec. 120.004. LOCATION OF VENDING FACILITIES. Redesignates existing Section 94.004 as Section 120.004. (a) and (b) Changes references to commission to DARS.

Sec. 120.005. ISSUANCE OF LICENSES; ELIGIBILITY. Redesignates existing Section 94.005 as Section 120.005. (a)-(d) Makes conforming changes.

Sec. 120.006. EXPIRATION, RENEWAL, AND REVOCATION OF LICENSES. Redesignates existing Section 94.006 as Section 120.006. (a)-(e) Makes conforming changes.

Sec. 120.007. New heading: OPERATION OF VENDING FACILITIES BY CERTAIN PERSONS WHO ARE NOT BLIND. Redesignates existing Section 94.007 as Section 120.007. Authorizes DARS, rather than the rehabilitation commission, to survey the property to determine whether a person, rather than handicapped person, with a disability that is not of a visual nature could operate the facility in a proper manner.

Deletes designation of Subsection (a) and existing Subsection (b) authorizing the commission and the rehabilitation commission to develop procedures and methods of exchanging information necessary to implement cooperative activities. Deletes existing Subsection (c) requiring the installation and operation of a vending facility by the rehabilitation commission to conform to the provisions of this chapter applicable to vending facilities installed by the commission.

Sec. 120.008. CLOSING CERTAIN FACILITIES PROHIBITED. Redesignates existing Section 94.008 as Section 120.008. Makes conforming changes.

Sec. 120.009. EMPLOYMENT OF ASSISTANTS. Redesignates existing Section 94.009 as Section 120.009. (a) and (b) Makes conforming and nonsubstantive changes.

Sec. 120.010. COMPETING VENDING MACHINES. Redesignates existing Section 94.010 as Section 120.010. (a)-(c) Changes a reference to commissioner-sponsored vending facility to DARS-sponsored facility. Makes conforming and nonsubstantive changes.

Sec. 120.011. VENDING FACILITY EQUIPMENT AND STOCK. (a)-(c) Redesignates existing Section 94.011 as Section 120.011. Makes conforming changes.

Sec. 120.012. DUTIES AND PRIVILEGES OF PARTIES. Redesignates existing Section 94.012 as Section 120.012. (a) Authorizes the executive commissioner, rather than commissioner, to promulgate rules and DARS to initiate procedures necessary to implement this chapter.

(b) and (c) Changes references to commission to DARS.

Sec. 120.013. TRAINING PROGRAMS. Redesignates existing Section 94.013 as Section 120.013. Makes conforming changes.

Sec. 120.014. CONFORMITY WITH FEDERAL STATUTES. Redesignates existing Section 94.014 as Section 120.014. (a) and (b) Makes conforming changes.

Sec. 120.015. APPLICATION OF CHAPTER. Redesignates existing Section 94.015 as Section 120.015. (a) Changes reference to commission to DARS.

(b) Provides that this chapter does not apply to vending facilities operated by an institution for persons with mental illness or intellectual disabilities that is under the control of the Department of State Health Services (DSHS), the Department of Aging and Disability Services, or a successor to one of those departments, rather than the Texas Department of Mental Health and Mental Retardation, or its successor, if the vending facilities are operated without profit for the benefit of the patients at the institution.

(c) Changes reference to commission to DARS.

Sec. 120.016. BUSINESS ENTERPRISES PROGRAM. Redesignates existing Section 94.016 as Section 120.016. (a)-(g) Makes conforming changes. Makes a nonsubstantive change.

SECTION 12. Amends Section 21.0015, Labor Code, as follows:

Sec. 21.0015. TEXAS WORKFORCE COMMISSION. Provides that the powers and duties exercised by the Commission on Human Rights under this chapter are transferred to the Texas Workforce Commission (TWC), rather than the civil rights division of TWC. Provides that a reference in this chapter to the "commission" means TWC, rather than the civil rights division of TWC.

SECTION 13. Amends Section 21.206, Labor Code, as follows:

Sec. 21.206. New heading: DETERMINATION OF REASONABLE CAUSE; REVIEW BY COMMISSION. (a) Requires the executive director or the executive director's designee to review with the commission members, rather than a panel of three commissioners, the evidence in the record if after investigation the executive director or the executive director's designee determines that there is reasonable cause to believe that the respondent engaged in an unlawful employment practice as alleged in a complaint.

(b) Requires the executive director, if after the review at least two of the three commission members, rather than commissioners, determine that there is reasonable cause to believe that the respondent engaged in an unlawful employment practice, to:

(1) issue a written determination incorporating the executive director's finding that the evidence supports the complaint; and

(2) serve a copy of the determination on the complainant, the respondent, and other agencies as required by law.

SECTION 14. Amends Section 21.453, Labor Code, by amending Subsection (a) and adding Subsection (a-1), as follows:

(a) Requires TWC, except as provided by Subsection (a-1), to review the personnel policies and procedures of each state agency on a six-year cycle to determine whether the policies and procedures comply with this chapter.

(a-1) Requires TWC by rule to develop risk-assessment criteria for determining the circumstances under which TWC may conduct a review of the personnel policies and procedures of a state agency more frequently than required by Subsection (a). Requires that the risk-assessment criteria include data on complaints against a state agency, previous review findings, and any other related information collected and maintained by TWC.

SECTION 15. Amends Section 21.455, Labor Code, by adding Subsection (d), as follows:

(d) Requires TWC to annually:

- (1) review the reimbursements received by TWC under this section to ensure that TWC recovers the expenses described by Subsection (a) (relating to reimbursement by a state agency to TWC for conducting a review); and
- (2) adjust the reimbursement rate if, as a result of the most recent annual review, TWC determines that the reimbursement rate is higher or lower than the rate required to recover those expenses.

SECTION 16. Amends Chapter 214, Labor Code, by adding Section 214.009, as follows:

Sec. 214.009. RECOVERY OF COVERED UNEMPLOYMENT COMPENSATION DEBT THROUGH FEDERAL TREASURY OFFSET PROGRAM. (a) Defines "program."

(b) Authorizes TWC to collect the following covered unemployment compensation debt through the Federal Treasury Offset Program (program):

- (1) a past-due debt for erroneous payment of benefits due to fraud that has become final under law and remains uncollected;
- (2) a past-due debt for erroneous payment of benefits due to a person's failure to report earnings, even if non-fraudulent, that has become final under law and remains uncollected;
- (3) a past-due employer contribution owed to the compensation fund for which TWC has determined the person to be liable and that remains uncollected; and
- (4) any penalties and interest assessed by TWC on a debt described by Subdivision (1), (2), or (3).

(c) Requires TWC, before submitting covered unemployment compensation debt for recovery under the program, to:

- (1) notify the debtor by regular United States mail that TWC plans to recover the debt through the offset of any federal tax refund;
- (2) provide the debtor at least 60 days following the date the notice is provided under Subdivision (1) to present to TWC evidence that all or part of the debt is not legally enforceable, due to fraud or unreported earnings, or a contribution owed to the compensation fund; and
- (3) consider any evidence presented by the debtor to determine the amount of debt that is legally enforceable and owed.

(d) Authorizes TWC, in considering evidence presented by a debtor under Subsection (c), to determine only whether the debtor has demonstrated that the debt is not subject to recovery through the program so that TWC is able to minimize erroneous offsets. Prohibits TWC from reviewing the initial determination establishing the debtor's liability.

(e) Requires TWC to assess against the debtor the cost of any administrative fee charged by the United States Department of the Treasury for each offset. Authorizes TWC to add the assessed amount to the covered unemployment compensation debt that is offset under the program.

SECTION 17. Amends Section 301.006(b), Labor Code, as follows:

(b) Requires the member of TWC who represents the public, notwithstanding Subsection (a) (relating to the governor designating the chair of the commission), to serve as chair:

(1) when TWC acts under:

(A) Chapter 21 (Employment Discrimination);

(B) and (C) Creates these paragraphs from existing text and makes nonsubstantive changes; or

(D) Chapter 301 (Texas Fair Housing Act), Property Code; and

(2) Makes no change to this subdivision.

SECTION 18. Amends Section 301.008, Labor Code, as follows:

Sec. 301.008. APPLICATION OF SUNSET ACT. Provides that TWC is subject to Chapter 325 (Sunset Law), Government Code. Provides that, unless continued in existence as provided by that chapter, TWC is abolished September 1, 2027, rather than September 1, 2015.

SECTION 19. Amends Section 301.009(a), Labor Code, to require TWC to have a civil rights division among certain other divisions.

SECTION 20. Amends Subchapter D, Chapter 301, Labor Code, by adding Section 301.075, as follows:

Sec. 301.075. VOCATIONAL REHABILITATION AND CERTAIN OTHER SERVICES FOR PERSONS WITH DISABILITIES. Provides that, if TWC receives federal approval to administer vocational rehabilitation services and other services and programs to persons with disabilities under Title 7-A, Human Resources Code, TWC has primary responsibility for providing those services and programs.

SECTION 21. Amends Section 301.153, Labor Code, as follows:

Sec. 301.153. New heading: GOVERNANCE; AUTHORITY. (a) Redesignates Subsection (e) as Subsection (a). Requires TWC, rather than the human rights commission, to establish policies for the civil rights division and requires the executive director of TWC to supervise the director of the civil rights division in administering the activities of the division.

(b) Redesignates Subsection (f) as Subsection (b) and makes a conforming change.

(c) Requires TWC to administer Chapter 21 of this code and Chapter 301, Property Code, including the powers and duties formerly exercised by the former Commission on Human Rights under those laws.

(d) Provides that a reference in Chapter 21 of this code, Chapter 301, Property Code, or any other law to the former Commission on Human Rights means TWC.

Deletes existing text providing that the division is governed by the human rights commission, which consists of the following seven members: one member who represents industry, one member who represents labor, and five members who represent the public; deletes existing text requiring the members of the human rights commission established under this section to be appointed by the governor, and in making appointments to the human rights commission, the governor is required to strive to achieve representation on the human rights commission that

is diverse with respect to disability, religion, age, economic status, sex, race, and ethnicity. Deletes existing text providing that the term of office of each commissioner is six years, and requiring the governor to designate one commissioner to serve as presiding officer. Deletes existing text entitling a commissioner to reimbursement of actual and necessary expenses incurred in the performance of official duties.

SECTION 22. Amends Section 301.154(a), Labor Code, by requiring the director of the civil rights division of TWC (director) to be appointed by the executive director of TWC, rather than the human rights commission, to administer the powers and duties of the division.

SECTION 23. Amends Subchapter I, Chapter 301, Labor Code, by adding Section 301.157, as follows:

Sec. 301.157. ANALYSIS OF STATE AGENCY DISCRIMINATION COMPLAINTS; REPORT. (a) Requires the civil rights division of TWC (division) each state fiscal year to collect and analyze information regarding employment discrimination complaints, other than complaints determined to be without merit, filed with the division against a state agency. Requires that the information include:

- (1) an analysis of the complaints, both by number and by type; and
- (2) key findings or trends the division identifies during the division's review of state agency personnel policies and procedures under Section 21.453 (Review).

(b) Requires TWC to include the results of the division's analysis under this section in TWC's annual report to the governor and the legislature. Requires the division to exclude from the report any identifying information of a complainant or a state agency complaint as necessary to maintain confidentiality required by TWC 's contract with the federal Equal Employment Opportunity Commission or by other law.

SECTION 24. Amends Section 302.0043(f), Labor Code, to require the report on TWC's childcare program to include employment outcome information, disaggregated by local workforce development area, regarding parents receiving subsidized care under the program, and identify multiyear trends in the information collected and analyzed by TWC under this section, including trends in the information for at least the five state fiscal years preceding the date of the report.

SECTION 25. Amends Subchapter A, Chapter 302, Labor Code, by adding Section 302.00435, to require TWC to develop a policy for obtaining, through appropriate methods, input from interested parties regarding its subsidized child care program and for using that input in administering that program.

SECTION 26. Amends Section 301.0015, Property Code, as follows:

Sec. 301.0015. New heading: TEXAS WORKFORCE COMMISSION. Provides that the powers and duties exercised by the Commission on Human Rights under this chapter are transferred to TWC, rather than the civil rights division of TWC. Provides that a reference in this chapter to the "commission" means TWC, rather than the civil rights division of TWC.

SECTION 27. Repealer: Section 132.201(b) (relating to periodic reviews and recommendations of fees to the legislature by TWC), Education Code;

Repealer: Subchapter F (Review of Fire Department Tests), Chapter 419, Government Code;



Repealer: Section 91.016(e) (relating to TWC developing and implementing policies), Human Resources Code;

Repealer: Subchapter D (Vocational Rehabilitation of the Blind), Chapter 91, Human Resources Code.

Repealers: Section 111.016 (Rehabilitation Council of Texas), Human Resources Code;

Repealer: Section 111.0205 (Work Incentives and Supplemental Security Income (SSI)), Human Resources Code;

Repealer: Section 111.053(b) (relating to commission agreements, arrangements, or plans to cooperate with the federal government), Human Resources Code;

Repealer: Section 111.061 (Contract Payment), Human Resources Code;

Repealer: Subchapter D (Vocational Rehabilitation Services), Chapter 111, Human Resources Code;

Repealer: Section 117.058 (Specialized Training for Certain Employees), Human Resources Code; and

Repealers: Sections 301.151(3) (defining "human rights commission") and 301.152 (General Provisions), Labor Code.

SECTION 28. (a) Requires TWC to adopt all rules, policies, and procedures required by the changes in law made by this Act not later than September 1, 2016.

(b) Provides that Section 301.157, Labor Code, as added by this Act, applies beginning with the annual report submitted to the governor and the legislature by TWC that covers the state fiscal year ending August 31, 2015.

SECTION 29. Provides that, on the effective date of this Act, the human rights commission that governed TWC civil rights division under Section 301.153 (Human Rights Commission), Labor Code, before the effective date of this Act is abolished. Provides that the validity of an action taken by the human rights commission before that date is not affected by the abolition. Provides that the changes in law made by this Act do not affect a case or proceeding pending under Chapter 21, Labor Code, or Chapter 301, Property Code, on the effective date of this Act.

SECTION 30. (a) Provides that if TWC receives federal approval to administer vocational rehabilitation services and other services and programs under Title 7-A, Human Resources Code, as added by this Act, on the date specified in the Texas Register as required by Section 118.002(a)(2)(B), Human Resources Code, as added by this Act:

(1) the services and programs and related powers, duties, functions, and activities, including rulemaking authority, are transferred to TWC;

(2) all obligations and contracts of DARS that are related to a transferred service or program are transferred to TWC;

(3) all property and records in the custody of DARS, including information technology systems, that are related to a transferred service or program and all funds appropriated by the legislature for the service or program shall be transferred to TWC; and

(4) all complaints, investigations, or contested cases that are pending before DARS that are related to a transferred service or program are transferred without change in status to TWC.

(b) Provides that, if a transfer of services and programs occurs under Subsection (a) of this section, a rule or form adopted by the executive commissioner of HHSC or DARS, as applicable, that relates to a transferred service or program is a rule or form of TWC and remains in effect until altered by TWC.

(c) Provides that, if a transfer of services and programs occurs under Subsection (a) of this section, a reference in law to the executive commissioner of HHSC or DARS that relates to a transferred service or program means TWC.

(d) Provides that, if a transfer of services and programs occurs under Subsection (a) of this section, a license, permit, or certification in effect that was issued by DARS and that relates to a transferred service or program is continued in effect as a license, permit, or certification of TWC.

SECTION 31. Requires DARS and TWC, as soon as possible after the effective date of this Act, to actively seek federal approval as required by Section 118.002, Human Resources Code, as added by this Act, to transfer the administration of services and programs under Title 7-A, Human Resources Code, as added by this Act, from DARS to TWC not later than September 1, 2016.

SECTION 32. Requires DARS and TWC to collaborate to integrate DARS's vocational rehabilitation programs into a single vocational rehabilitation program as required by Section 119.101, Human Resources Code, as added by this Act.

SECTION 33. Effective date: September 1, 2015.