

SUBJECT: Penalizing noncompliance with workforce training reporting requirements

COMMITTEE: Economic and Small Business Development — favorable, without amendment

VOTE: 8 ayes — Button, Bailes, Deshotel, Hinojosa, Leach, Metcalf, Ortega, Villalba

0 nays

1 absent — Vo

SENATE VOTE: On final passage, April 3 — 31-0

WITNESSES: No public hearing

BACKGROUND: Labor Code, sec. 303.003 allows public community and technical colleges, community-based organizations, and the Texas Engineering Extension Service to use funds from the Skills Development Fund to develop customized training programs for businesses and trade unions.

Sec. 303.004 requires the Texas Higher Education Coordinating Board to biennially review all customized training programs created with money from the Skills Development Fund. An institution providing such a workforce training program by October 1 of every even-numbered year must submit to the Texas Workforce Commission a detailed written report reviewing the program to determine the program's effectiveness in improving the wages of participants and identify strategies for improving workforce training and economic development.

DIGEST: SB 634 would require any institution that failed to submit a required Skills Development Fund workforce training program report to the Texas Workforce Commission to refund to the comptroller any state funds received in the fiscal biennium in which a report was due.

The bill also would prohibit the commission from awarding additional

grants to an institution that failed to submit a required Skills Development Fund workforce training program report until the institution had complied with the reporting requirement.

The bill would take effect September 1, 2017, and would apply only to reports due on or after October 1, 2018.

**SUPPORTERS
SAY:**

SB 634 would make administration of the Skills Development Fund more effective by providing an enforcement mechanism for adherence to reporting guidelines already required in statute. Requiring institutions to return funds if they failed to comply with the reporting requirements would ensure that each workforce training program subsidized by the Skills Development Fund was subject to regular evaluation and strategic adaptation.

**OPPONENTS
SAY:**

No apparent opposition.