

BILL ANALYSIS

H.B. 2034

By: Vo

Economic & Small Business Development
Committee Report (Unamended)

BACKGROUND AND PURPOSE

The Texas Workforce Commission (TWC) administers matters relating to unemployment compensation benefits in Texas. Under current law, an individual may receive unemployment compensation benefits if the individual left the individual's most recent work to attend an established educational institution with the approval of the TWC. However, if the training is not approved, the individual is disqualified. Interested parties assert that this provision may be in conflict with federal law because there is no opportunity for an individual to requalify for those benefits. Being out of conformity with federal law could put Texas at risk of losing access to employer tax credits and federal funds the state currently receives for unemployment compensation matters. In addition, concern has been raised about the lack of protection for an employer from chargebacks due to an employee leaving unsuitable employment to attend approved training under the Trade Act of 1974.

H.B. 2034 seeks to change certain Texas laws relating to unemployment compensation eligibility and chargebacks regarding certain persons who leave work to attend training.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

H.B. 2034 amends the Labor Code to establish that an individual is not disqualified for unemployment compensation benefits if the individual left the individual's last work to attend training approved by the Texas Workforce Commission (TWC) and the last work did not constitute suitable work for the individual. The bill prohibits a chargeback to an employer for such an individual, rather than for an individual who left the individual's last work to attend a training approved by TWC without regard to whether the last work constituted suitable work for the individual. The bill prohibits a chargeback for an individual who left work to enter training approved under the federal Trade Act of 1974 if the work the individual left was not suitable employment.

H.B. 2034 repeals a provision relating to the disqualification of an individual for unemployment compensation benefits for a period of unemployment for which the individual left the individual's most recent work to attend an established educational institution and to the inapplicability of this provision to a period in which the individual is in TWC-approved training.

H.B. 2034 repeals Section 207.052, Labor Code.

EFFECTIVE DATE

September 1, 2013.