

SUBJECT: Repealing contractor advertising with workforce development boards

COMMITTEE: Economic Development —favorable, without amendment

VOTE: 7 ayes — Deshotel, Straus, Kolkhorst, Dunnam, Morrison, Ortiz, Veasey
0 nays

WITNESSES: For — (*Registered, but did not testify*: Frank Thompson, Gulf Coast Work Force Board)

Against — None

On — Alan Miller, Alamo WorkSource Board; (*Registered, but did not testify*: Ron Lehman, Texas Workforce Commission)

BACKGROUND: In 2005, the 79th Legislature enacted SB 998 by Madla, which allowed an entity that contracted with a Local Workforce Development Board to be permitted to use, display, and advertise the contractor's name when providing workforce services for the workforce board.

DIGEST: HB 3074 would amend Government Code, sec. 2308.264 to repeal the provision that an entity contracting with a local workforce development board be allowed to use, display, and advertise with the contractor's name when providing workforce services for the workforce board.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2007.

SUPPORTERS SAY: HB 3074 would help eliminate confusion resulting from the fact that entities who contract with a local workforce development board now are allowed to use their individual names for advertising and display. Research conducted by the Texas Workforce Commission and some of the regional workforce development boards has indicated that the proliferation of different names in a common board area has led to some confusion and limits the effectiveness of the services provided because clients are unable to identify who provides services and whether the services are consistent

among contractors in the same area. The bill would allow a local workforce board to provide for one consistent brand name in an area to help reassure clients about the quality and types of services they may receive. Furthermore, the bill would improve service by strengthening the regional workforce board brand and would induce more people to patronize the services.

HB 3074 would not impair the ability of a contractor to achieve name recognition because the bill would continue to allow local boards the option of whether to have one consistent name or to allow contractors to use their names.

**OPPONENTS
SAY:**

HB 3074 would deprive contractors of the right to name recognition and reputation that the contractor creates through its work with a workforce development board. Contractors should be able to highlight their accomplishments and distinguish these accomplishments from the work of other contractors. The bill would impair this ability.

NOTES:

The companion bill, SB 1628 by Uresti, has been referred to the Senate Business and Commerce Committee.