# Fiscal Year 2020 Planning Estimates for Apprenticeship Training Programs

# Discussion Paper

**Background**

Texas Education Code (TEC) §133.006 requires that the Texas Workforce Commission (TWC) adopt forms, formulas, and administrative procedures for distributing available funds to apprenticeship training programs. Additionally, TWC Apprenticeship Training Program rule §837.21 states that after TWC receives recommendations from the Texas Workforce Investment Council (TWIC), TWC is required to provide public notice of the amount of funds that will be available to support apprenticeship training programs.

In March 2019, TWIC made the following recommendations to TWC regarding Fiscal Year 2020 (FY’20) funding for apprenticeship training programs:

* A contact-hour rate not to exceed $4.25
* A 5 percent reserve fund for new programs or established programs not currently receiving funds

TWIC no longer recommends reserve funding for apprenticeship instructor training. A needs assessment showed that program-training directors were uninterested in instructor training; therefore, TWC will no longer enter into a provider contract for apprenticeship instructor training.

TWC has exceeded Legislative Budget Board (LBB) Apprenticeship Training performance targets since FY’08. In FY’16, TWC’s LBB Apprenticeship Training performance measure increased from 3,600 to 6,111 individuals served, as established with the approval of the legislative appropriation request by TWC’s three-member Commission (Commission) for an additional $1.5 million in both years of the biennium.

Under TWC rule §837.25, funds for apprenticeship training classes are distributed based on the following types of instruction, listed in order of priority, unless otherwise determined by the Commission:

1. Related instruction or apprenticeship
2. Supplementary instruction or journeyworker experience
3. Preparatory instruction or pre-apprenticeship training

During FY’19, TWC funding supported 6,449 apprentices. The FY’19 final contact-hour rate is $4.00. Since FY’10, TWC has supported TEC Chapter 133 Registered Apprenticeship training programs with Workforce Investment Act/Workforce Innovation and Opportunity Act funds and continues to leverage Noncustodial Parent Temporary Assistance for Needy Families, as appropriate.

Additionally, FY’19 program changes that aligned TWC’s rules with the passage of House Bill 2790 went into effect, allowing a Registered Apprenticeship training program’s apprenticeship committee to apply for Chapter 133 funding directly, without partnering with a local education agency (LEA). In FY’19, seven apprenticeship committees applied for Chapter 133 funding. Of the seven that applied, two withdrew from participation due to start-up delays (new Registered Apprenticeship programs) and three were apprenticeship committees that had received Chapter 133 funding in the previous year through an LEA. FY’19 Chapter 133 funding supported five apprenticeship committees.

TWC estimates that under TEC Chapter 133, a total $4,517,784 (which includes $2,867,784 in General Revenue and $1,650,000 in Workforce Innovation and Opportunity Act (WIOA)) will be available for Registered Apprenticeship Training programs, pending approval of the FY’20 operating budget.

To maximize awareness of this funding opportunity and the change in eligible applicants, TWC will continue to outreach both LEAs and apprenticeship committees of Registered Apprenticeship Training programs to inform them about the financial support available through TWC.

**Decision Point**

Staff seeks direction on the following:

* A planning estimate of $4,517,784 in General Revenue and WIOA for FY’20 Registered Apprenticeship funds, contingent on adoption of TWC’s FY’20 operating budget
* An FY’20 contact-hour rate not to exceed $4.25
* A 5 percent reserve of planning estimate funds for new or established Registered Apprenticeship Training programs that did not receive Chapter 133 funds in FY’19