Funding for Texas Education Code Chapter 133 Apprenticeship Training Program Discussion Paper

Background

Texas Education Code (TEC) Chapter 133, Apprenticeship System of Adult Career and Technology Education, establishes the Apprenticeship Training Program (ATP) and the criteria by which the Texas Workforce Commission's (TWC) three-member Commission (Commission) may award state funding to support instruction provided to pre-apprentices, apprentices, and journey workers.

In preparation for each fiscal year (FY), the Commission, acting upon recommendations from the Texas Workforce Investment Council, sets aside funding for the support of related technical instruction (RTI) for apprentices.

Program funding originally began as state funding only. However, the growth of the program in number of employers participating—a 65% increase from FY '14 to FY '23—and in the number of apprentices served—a 56% increase from FY '14 to FY '23—prompted the Commission to use other funding to maintain a consistent contact hour rate (CHR). Additional funding has included federal funds such as those awarded through the Workforce Innovation and Opportunity Act (WIOA), the Temporary Assistance for Needy Families Non-Custodial Parent program (TANF-NCP), and, as recently as February 2024, a Department of Labor Apprenticeship Expansion grant.

Issues

At its April 30, 2024, meeting, the Commission provided public notice that $4,807,247—$3,657,247 in General Revenue; $1,000,000 in WIOA Statewide; and $150,000 in TANF-NCP—will be available for Chapter 133 ATP programs, pending approval of the FY'25 operating budget.

At its June 7, 2024, meeting, the Commission approved the FY '25 Operating Budget, affirming the amounts listed above.

Applications for the FY '25 Chapter 133 ATP indicate the program continues to grow, and, if all contracts are awarded, the CHR will fall short of the desired $4.

Decision Point

To meet a $4 CHR for FY '25, staff recommend supplementing the approved Chapter 133 ATP budget with the following for a total of $2,088,527 in additional funding:

- $500,000 in Healthcare Apprenticeships (WIOA Statewide)
- $500,000 in Healthcare Apprenticeships (DOL grant)
- $88,527 in Apprenticeship Expansion (DOL grant)
- $1 million in Texas Industry Recognized Apprenticeship Grant Program

While the supplemental funding does not guarantee a $4 CHR, staff have considered projected growth and early calculations from the FY '25 Chapter 133 ATP applications to arrive at this funding recommendation.