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 identify other funding, when available, to maintain a consistent contact hour rate (CHR).

Issues

At its July 2, 2024, meeting, the Commission approved use of WIOA and DOL Expansion Grant funds for a total of $1,088,527 to supplement the Chapter 133 ATP CHR. At that meeting, staff had also recommended the use of $1M Texas Industry Recognized Apprenticeship (TIRA) Grant Program funding for this purpose. The Commission requested staff bring forward a discussion paper explaining its recommendation to use TIRA funding[1].

Interest in the TIRA Grant Program is grown through agency outreach. Through meeting with employers and understanding their workforce needs, staff has learned employers are highly enthusiastic about the state's support of TIRA. However, some employers have been reluctant to apply since program reimbursement can only occur at the conclusion of both the apprenticeship and the subsequent 12 months of employment. Of the applications currently under review, it is anticipated that approximately $3.7M could be awarded in contracts, leaving a carry forward of about $6.2M into FY '25. The agency will address employers' concerns in its legislative proposals for the upcoming session.

Decision Points

Because TIRA funding and Chapter 133 ATP funding are appropriated within budget strategy B.1.2 Apprenticeship in the General Appropriations Act (HB 1, 88th Legislative Session, Regular), staff recommend use of $1M in TIRA funding to supplement the Chapter 133 ATP CHR for FY '25.

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[1] TWC was appropriated $10M general review per biennium by the 88th Texas Legislature, Regular Session, to launch and award grants under the TIRA Grant Program. Details about the program are contained in Texas Labor Code Chapter 302 and Texas Administrative Code Chapter 838.