

1-1 By: Button, et al. (Senate Sponsor - Alvarado) H.B. No. 1755  
 1-2 (In the Senate - Received from the House April 27, 2023;  
 1-3 May 1, 2023, read first time and referred to Committee on Natural  
 1-4 Resources & Economic Development; May 9, 2023, reported favorably  
 1-5 by the following vote: Yeas 6, Nays 1; May 9, 2023, sent to  
 1-6 printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	X			
1-10			X	
1-11	X			
1-12	X			
1-13	X			
1-14	X			
1-15			X	
1-16	X			
1-17		X		

1-18 A BILL TO BE ENTITLED  
 1-19 AN ACT

1-20 relating to the creation of the Lone Star Workforce of the Future  
 1-21 Fund.

1-22 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-23 SECTION 1. Subtitle G, Title 3, Education Code, is amended  
 1-24 by adding Chapter 134A to read as follows:

1-25 CHAPTER 134A. LONE STAR WORKFORCE OF THE FUTURE FUND

1-26 Sec. 134A.001. DEFINITIONS. In this chapter:

1-27 (1) "Commission" means the Texas Workforce  
 1-28 Commission.

1-29 (2) "Public junior college" and "public technical  
 1-30 institute" have the meanings assigned by Section 61.003.

1-31 Sec. 134A.002. PURPOSE. The purpose of this chapter is to:

1-32 (1) create and sustain a utilization-driven supply of  
 1-33 qualified workers for entry-level to mid-level jobs in high demand  
 1-34 occupations in this state;

1-35 (2) address and close the gap between the skills  
 1-36 needed by workers and the current skills of the available workforce  
 1-37 in this state;

1-38 (3) increase the interest of current and future Texans  
 1-39 to fill the available and emerging jobs in this state that require  
 1-40 less education than a bachelor's degree but more than a high school  
 1-41 diploma; and

1-42 (4) strengthen the state's economy by increasing the  
 1-43 competitiveness of businesses in this state and the recruitment of  
 1-44 businesses to this state.

1-45 Sec. 134A.003. LONE STAR WORKFORCE OF THE FUTURE FUND. (a)  
 1-46 The commission shall establish and administer the Lone Star  
 1-47 Workforce of the Future Fund as a dedicated account in the general  
 1-48 revenue fund.

1-49 (b) The following amounts shall be deposited in the fund:

1-50 (1) any money appropriated by the legislature for the  
 1-51 fund for purposes of this chapter;

1-52 (2) interest earned on the investment of money in the  
 1-53 fund; and

1-54 (3) gifts, grants, and donations received for the  
 1-55 fund.

1-56 Sec. 134A.004. ADVISORY BOARD. (a) An advisory board of  
 1-57 education and workforce stakeholders is created to assist the  
 1-58 commission in administering this chapter.

1-59 (b) The advisory board is composed of six members who serve  
 1-60 two-year terms and are appointed as follows:

1-61 (1) one member appointed by the governor;

2-1                   (2) one member appointed by the lieutenant governor;  
 2-2                   (3) one member appointed by the speaker of the house of  
 2-3 representatives;  
 2-4                   (4) one member appointed by the Texas Higher Education  
 2-5 Coordinating Board;  
 2-6                   (5) one member appointed by the commission; and  
 2-7                   (6) the chair of the commission, who serves as the  
 2-8 presiding officer.  
 2-9                   (c) The advisory board shall meet at least twice each  
 2-10 calendar year, or as needed, to make recommendations on awarding  
 2-11 grants under this chapter.  
 2-12                   Sec. 134A.005. FUND USE. Money in the Lone Star Workforce  
 2-13 of the Future Fund may be used by the commission only to:  
 2-14                   (1) award grants as provided by this chapter; and  
 2-15                   (2) conduct, with a consortium of corporate partners  
 2-16 identified by the commission as having available entry-level  
 2-17 workforce demand, due diligence assessment reviews of entities  
 2-18 receiving grants under this chapter.  
 2-19                   Sec. 134A.006. LONE STAR WORKFORCE OF THE FUTURE FUND GRANT  
 2-20 PROGRAM. The commission shall establish and administer the Lone  
 2-21 Star Workforce of the Future Fund grant program to provide grants to  
 2-22 public junior colleges, public technical institutes, and nonprofit  
 2-23 organizations that apply to the commission in the manner prescribed  
 2-24 by the commission and satisfy the eligibility criteria prescribed  
 2-25 by Section 134A.007. The commission shall award the grants on the  
 2-26 advice and recommendations of the advisory board.  
 2-27                   Sec. 134A.007. GRANT ELIGIBILITY. To be eligible to  
 2-28 receive a grant under this chapter, a public junior college, public  
 2-29 technical institute, or nonprofit organization must:  
 2-30                   (1) administer one or more performance-based  
 2-31 workforce training programs that:  
 2-32                   (A) lead to skill development and experiences  
 2-33 required for employment in high demand occupations in at least one  
 2-34 career field identified and listed as a high-growth career field  
 2-35 by:  
 2-36   (i) the commission;  
 2-37   (ii) the Texas Workforce Investment  
 2-38 Council; or  
 2-39   (iii) the Tri-Agency Workforce Initiative  
 2-40 established under Chapter 2308A, Government Code;  
 2-41                   (B) are developed and provided based on  
 2-42 consultation with and input from employers who are hiring in high  
 2-43 demand occupations;  
 2-44                   (C) create pathways to employment for program  
 2-45 participants; and  
 2-46                   (D) are delivered through classroom-based or  
 2-47 online instruction, work-based experiences internships, or  
 2-48 apprenticeships, or through a combination of those methods;  
 2-49                   (2) demonstrate through third-party validated data  
 2-50 successful outcomes in:  
 2-51                   (A) recruiting local unemployed and  
 2-52 underemployed individuals to participate in the training program or  
 2-53 programs;  
 2-54                   (B) training individuals with the skills needed  
 2-55 to secure full-time employment paying at least a self-sufficient  
 2-56 wage as determined under Section 2308A.012, Government Code, in the  
 2-57 relevant job field; and  
 2-58                   (C) placing individuals in employment in high  
 2-59 demand occupations;  
 2-60                   (3) demonstrate the ability to attract at least 40  
 2-61 percent of the necessary funding for training program operation  
 2-62 from revenue streams other than state government funding; and  
 2-63                   (4) agree to:  
 2-64                   (A) collaborate with the commission, corporate  
 2-65 partners, and nonprofit educational partners to determine the  
 2-66 training programs to be provided using grant money;  
 2-67                   (B) secure support from local businesses to  
 2-68 ensure alignment between training program offerings and in-demand  
 2-69 skills;

3-1 (C) collaborate with regional employers, public  
3-2 junior colleges, public technical institutes, or nonprofit  
3-3 organizations to make available developmental work-based  
3-4 experiences to further enhance training program participants'  
3-5 career readiness;  
3-6 (D) engage local entities and organizations,  
3-7 including local workforce development boards and community-based  
3-8 organizations, to assist with identifying and recruiting eligible  
3-9 training program participants;  
3-10 (E) provide documentation to the commission  
3-11 describing training program offerings, including information  
3-12 necessary to verify that the offerings will:  
3-13 (i) provide training that is not exclusive  
3-14 to a single corporate partner; and  
3-15 (ii) lead to knowledge, skills, and  
3-16 work-based experiences that are transferable to similar employment  
3-17 opportunities in high demand occupations offered by other  
3-18 employers; and  
3-19 (F) comply with any additional grant conditions  
3-20 prescribed by commission rule, including performance benchmarks  
3-21 established under Section 134A.008 and reporting requirements  
3-22 established under Section 134A.009.  
3-23 Sec. 134A.008. PERFORMANCE BENCHMARKS. (a) The commission  
3-24 by rule shall establish performance benchmarks for entities  
3-25 receiving grants under this chapter. The benchmarks must include a  
3-26 requirement that an entity facilitate the successful transition of  
3-27 at least 50 percent of the entity's training program participants  
3-28 from low wage work or unemployment to full-time jobs offering a  
3-29 self-sufficient wage as determined under Section 2308A.012,  
3-30 Government Code, and the opportunity for career mobility, as  
3-31 determined by the commission, within six months of training program  
3-32 completion.  
3-33 (b) The commission by rule shall require reimbursement on a  
3-34 pro rata basis by an entity that does not meet a performance  
3-35 benchmark required by this section.  
3-36 (c) An entity is not required to comply with a performance  
3-37 benchmark required by this section if the entity's compliance is  
3-38 not possible because of an act of God, force majeure, or a similar  
3-39 cause not reasonably within the entity's control.  
3-40 Sec. 134A.009. REPORTING REQUIREMENTS. The commission by  
3-41 rule shall require each entity receiving a grant under this chapter  
3-42 to submit progress reports to the commission at least twice  
3-43 annually. Each progress report must include the following  
3-44 information relating to a training program funded by the grant:  
3-45 (1) the number of participants;  
3-46 (2) an update on progress toward performance  
3-47 benchmarks;  
3-48 (3) a description of any key accomplishments achieved,  
3-49 lessons learned, or setbacks or risks incurred by the entity in  
3-50 administering the training program;  
3-51 (4) an explanation of any material changes to the  
3-52 training program's work plan, team, or budget; and  
3-53 (5) the amount of grant money spent by the entity  
3-54 during the reporting period.  
3-55 Sec. 134A.010. GRANT AMOUNT. The amount of a grant awarded  
3-56 to an entity under this chapter for a training program may not  
3-57 exceed \$15,000 per training program participant.  
3-58 Sec. 134A.011. GRANT USE. An entity may use grant money  
3-59 received under this chapter only for:  
3-60 (1) curriculum development;  
3-61 (2) instructor fees and certifications;  
3-62 (3) training materials;  
3-63 (4) work-related expenses;  
3-64 (5) work-based experience stipends;  
3-65 (6) related wraparound services important to help  
3-66 ensure success for training program participants as determined by  
3-67 commission rule; and  
3-68 (7) administrative costs as determined by commission  
3-69 rule, except that the amount used by an entity for that purpose may

4-1 not exceed 10 percent of the total amount of grant money received by  
4-2 the entity.

4-3 Sec. 134A.012. RULES. The commission shall adopt rules as  
4-4 necessary to administer this chapter.

4-5 SECTION 2. The Texas Workforce Commission shall adopt rules  
4-6 for the administration of Chapter 134A, Education Code, as added by  
4-7 this Act, as soon as practicable following the effective date of  
4-8 this Act but not later than December 1, 2023.

4-9 SECTION 3. (a) Notwithstanding any other provision of this  
4-10 Act, in a state fiscal year, the Texas Workforce Commission is not  
4-11 required to implement a provision found in another provision of  
4-12 this Act that is a mandatory provision imposing a duty on the  
4-13 commission to take an action unless money is specifically  
4-14 appropriated to the commission for that fiscal year to carry out  
4-15 that duty. The Texas Workforce Commission may implement the  
4-16 provision in that fiscal year to the extent other funding is  
4-17 available to the commission to do so.

4-18 (b) If, as authorized by Subsection (a) of this section, the  
4-19 Texas Workforce Commission does not implement a mandatory provision  
4-20 in a state fiscal year, the commission, in its legislative  
4-21 appropriations request for the next state fiscal biennium, shall  
4-22 certify that fact to the Legislative Budget Board and include a  
4-23 written estimate of the cost of implementing the provision in each  
4-24 year of that next state fiscal biennium.

4-25 (c) This section expires and any duty suspended by  
4-26 Subsection (a) of this section becomes mandatory on September 1,  
4-27 2027.

4-28 SECTION 4. This Act takes effect September 1, 2023.

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