

BILL ANALYSIS

C.S.H.B. 2784

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International Relations & Economic Development
Committee Report (Substituted)

BACKGROUND AND PURPOSE

It has been noted that despite positive economic activity with job growth and investment and facility expansion across Texas, many employers are struggling to find the available workforce, especially in the skilled trades, to build, operate, and maintain this expansion. In an effort to close the lingering skills gap and fill these positions, C.S.H.B. 2784 seeks to establish the Texas industrial workforce apprenticeship grant program.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the Texas Workforce Commission in SECTION 1 of this bill.

ANALYSIS

C.S.H.B. 2784 amends the Labor Code to require the Texas Workforce Commission (TWC) to establish and administer the Texas industrial workforce apprenticeship grant program to encourage the private sector to develop specialized industrial workforce apprenticeship training programs in Texas. The bill establishes the Texas industrial workforce apprenticeship fund as a dedicated account in the general revenue fund, sets out the composition of the fund, and restricts the use of the fund to the apprenticeship program.

C.S.H.B. 2784 makes eligible to receive a grant from the TWC under the grant program a person who:

- has in place an apprenticeship program that meets certain requirements, as prescribed by the bill;
- owes no delinquent taxes to a taxing unit of the state; and
- if the person is an entity, is in good standing under applicable state law, as evidenced by a certain state-issued certificate.

C.S.H.B. 2784 clarifies that the term "person" does not include a governmental entity and requires the TWC to distribute the grant funds on an individualized basis as a reimbursement for training costs incurred by grant recipients. The bill caps the amount of a grant per apprenticeship program participant at the lesser of \$10,000 per apprenticeship program participant or the cost of training, not including wages and benefits. The bill sets out certain determinations the TWC must make before awarding a grant and authorizes the TWC by rule to develop the criteria for making those determinations. The bill requires the TWC to adopt rules to administer and enforce the bill's provisions and requires TWC to post such rules on its website.

C.S.H.B. 2784 requires the TWC, not later than December 1 of each year, to submit to the lieutenant governor, the speaker of the house of representatives, and the members of the legislature a report on grants made under the program and sets out the required contents of the report. The bill prohibits the report from including information that is made confidential by law and authorizes the TWC to require a grant recipient to submit information required to complete the report. The bill requires the TWC to post the annual report on its website. The bill sets out the purpose of its provisions.

EFFECTIVE DATE

September 1, 2019.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 2784 may differ from the original in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

The substitute changes the entity responsible for establishing and administering the grant program from the Texas Economic Development and Tourism Office to the TWC.

The substitute revises the eligibility requirements for a grant by clarifying that the requirement to be in good standing with applicable state laws applies only to a person that is an entity and by revising certain minimum requirements for the apprenticeship program provided by the person seeking the grant.

The substitute changes the cap on the amount of a grant award per apprenticeship program participant from \$10,000 to the lesser of \$10,000 or the cost of training, not including wages and benefits.

The substitute revises the required determinations to be made before awarding a grant by not including the specification that the requirement for a sufficient number of program participants to have maintained employment for a period of not less than six months applies with respect to cumulative employment maintained after completion of the program.

The substitute clarifies that the grant funds are to be distributed on an individualized basis and revises the definition of "person."

The substitute changes the bill's effective date.