By:  Phelan, et al. (Senate Sponsor - Alvarado) H.B. No. 2784

(In the Senate - Received from the House May 13, 2019; May 13, 2019, read first time and referred to Committee on Business & Commerce; May 20, 2019, reported adversely, with favorable Committee Substitute by the following vote: Yeas 7, Nays 1; May 20, 2019, sent to printer.)

COMMITTEE VOTE

                    Yea Nay Absent  PNV

Hancock              X

Nichols              X

Campbell                 X

Creighton                      X

Menéndez             X

Paxton               X

Schwertner           X

Whitmire             X

Zaffirini            X

COMMITTEE SUBSTITUTE FOR H.B. No. 2784 By:  Nichols

A BILL TO BE ENTITLED

AN ACT

relating to the creation of the Texas Industrial Workforce Apprenticeship Grant Program.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1.  Chapter 481, Government Code, is amended by adding Subchapter EE to read as follows:

SUBCHAPTER EE. TEXAS INDUSTRIAL WORKFORCE APPRENTICESHIP GRANT PROGRAM

Sec. 481.601.  PURPOSE. The purpose of the Texas Industrial Workforce Apprenticeship Grant Program is to address the immediate industrial workforce needs of this state resulting from the impact of Hurricane Harvey and overall workforce shortages.

Sec. 481.602.  DEFINITIONS. In this subchapter:

(1)  "Apprenticeship program" means a training program that provides on-the-job training, preparatory instruction, supplementary instruction, or related instruction in a trade that has been recognized as an apprenticeable occupation by the Office of Apprenticeship of the United States Department of Labor.

(2)  "Person" does not include a governmental entity.

Sec. 481.603.  PROGRAM. The office shall establish and administer the Texas Industrial Workforce Apprenticeship Grant Program to encourage the private sector to develop specialized industrial workforce apprenticeship programs in this state. Under the program, the office shall provide grants for persons who meet the requirements of Section 481.605.

Sec. 481.604.  TEXAS INDUSTRIAL WORKFORCE APPRENTICESHIP FUND. (a)  The Texas industrial workforce apprenticeship fund is a dedicated account in the general revenue fund.

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

(1)  money appropriated by the legislature for the fund for purposes described by this subchapter;

(2)  interest earned on the investment of money in the fund; and

(3)  gifts, grants, and other donations received for the fund.

(c)  The fund may be used only for an apprenticeship program that meets the requirements of Section 481.605.

Sec. 481.605.  APPLICATION; ELIGIBILITY FOR GRANT. To be eligible to receive a grant under this subchapter, a person must:

(1)  if the person is an entity, be in good standing under the laws of the state in which the person was formed or organized, as evidenced by a certificate issued by the secretary of state or the state official of another state having custody of the records pertaining to a person formed or organized under the laws of that state;

(2)  not owe delinquent taxes to a taxing unit of this state; and

(3)  have in place an apprenticeship program that:

(A)  provides on-the-job training under an industry-recognized, accredited training curriculum;

(B)  guarantees employment for participants during and on completion of the training period;

(C)  provides eligibility for participants to receive full-time employee benefits during and on completion of the training period;

(D)  requires participants to advance their skills, at a minimum, to a credentialed mid-level status in the field related to the apprenticeship program;

(E)  has a duration of not less than 16 weeks and not more than 26 weeks; and

(F)  gives preference to training and hiring:

(i)  unemployed Texans who have filed with the Texas Workforce Commission;

(ii)  veterans of the United States armed forces;

(iii)  formerly incarcerated individuals; and

(iv)  underemployed individuals who are working without industry-recognized certifications or other credentials.

Sec. 481.606.  LIMITATIONS ON GRANT AMOUNT AND USE. The amount of a grant awarded under this subchapter may not exceed $10,000 per apprenticeship program participant and may be used only to reimburse the cost of training, not including wages and benefits.

Sec. 481.607.  REQUIREMENTS; GRANT AWARD. (a) The office shall distribute the grant funds as a reimbursement for training costs incurred by grant recipients in accordance with Section 481.606.

(b)  Before awarding a grant to a person under this subchapter, the office must determine that a sufficient number of apprenticeship program participants have:

(1)  completed the program and achieved the training requirements specified by Section 481.605(3)(D); and

(2)  maintained available and suitable employment for a period of not less than six months cumulatively after completion of the apprenticeship program.

(c)  The executive director by rule may develop the criteria for making the determinations required by Subsection (b).

Sec. 481.608.  PROGRAM RULES. (a) The executive director shall adopt rules to administer and enforce this subchapter.

(b)  The office shall post the rules on its Internet website.

Sec. 481.609.  ANNUAL REPORT. (a) Not later than December 1 of each year, the office shall submit to the lieutenant governor, the speaker of the house of representatives, and the members of the legislature a report on grants made under this subchapter that states:

(1)  the number of direct jobs each grant recipient created in this state in each job category of the federal Equal Employment Opportunity Commission's job classification guide;

(2)  the median wage of the jobs each grant recipient created in this state;

(3)  the total amount of each grant awarded to a grant recipient; and

(4)  the number and categorization of apprenticeship program participants trained and employed by each grant recipient under Section 481.605(3)(F).

(b)  The report may not include information that is made confidential by law.

(c)  The office may require a grant recipient under this subchapter to submit, on a form provided by the office, information required to complete the report.

(d)  The office shall post the annual report on its Internet website.

SECTION 2.  This Act takes effect September 1, 2019.

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