

1 AN ACT

2 relating to the creation of the Texas Industry-Recognized
3 Apprenticeship Programs Grant Program.

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

5 SECTION 1. Chapter 302, Labor Code, is amended by adding
6 Subchapter I to read as follows:

7 SUBCHAPTER I. TEXAS INDUSTRY-RECOGNIZED APPRENTICESHIP PROGRAMS

8 GRANT PROGRAM

9 Sec. 302.251. PURPOSE. The purpose of the Texas
10 Industry-Recognized Apprenticeship Programs Grant Program is to
11 address the immediate industrial workforce needs of this state
12 resulting from the impact of Hurricane Harvey and overall workforce
13 shortages.

14 Sec. 302.252. DEFINITIONS. In this subchapter:

15 (1) "Industry-recognized apprenticeship program"
16 means a training program that:

17 (A) provides on-the-job training, preparatory
18 instruction, supplementary instruction, or related instruction in
19 an occupation that has been recognized as an apprenticeable
20 occupation by the Office of Apprenticeship of the United States
21 Department of Labor; or

22 (B) is certified as an industry-recognized
23 apprenticeship program by a third-party certifier that has received
24 from the United States Department of Labor a favorable

1 determination of qualification to award that certification.

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

3 Sec. 302.253. PROGRAM. The commission shall establish and
4 administer the Texas Industry-Recognized Apprenticeship Programs
5 Grant Program to encourage the private sector to develop
6 specialized industry-recognized apprenticeship programs in this
7 state. Under the program, the commission shall award grants to
8 persons who meet the requirements of Section 302.255.

9 Sec. 302.254. TEXAS INDUSTRY-RECOGNIZED APPRENTICESHIP
10 FUND. (a) The Texas industry-recognized apprenticeship fund is a
11 dedicated account in the general revenue fund.

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

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

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

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

19 (c) The fund may be used only for an apprenticeship program
20 that meets the requirements of Section 302.255.

21 Sec. 302.255. APPLICATION; ELIGIBILITY FOR GRANT. The
22 commission shall establish eligibility criteria for a person to
23 receive a grant under this subchapter. The eligibility criteria
24 must include the requirement that the person:

25 (1) apply to the commission in the form and manner
26 prescribed by commission rule;

27 (2) if the person is an entity, be in good standing

1 under the laws of the state in which the person was formed or
2 organized, as evidenced by a certificate issued by the secretary of
3 state or the state official of another state having custody of the
4 records pertaining to a person formed or organized under the laws of
5 that state;

6 (3) not owe delinquent taxes to a taxing unit of this
7 state; and

8 (4) operate an industry-recognized apprenticeship
9 program that:

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

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

14 (C) pays each participant a wage and provides
15 eligibility for participants to receive full-time employee
16 benefits during and on successful completion of the training
17 period;

18 (D) requires participants to advance their
19 skills, at a minimum, to a credentialed, performance-verified
20 mid-level status in a field related to the industry-recognized
21 apprenticeship program;

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

23 (F) gives preference to training and hiring:

24 (i) unemployed Texans who have filed with
25 the commission;

26 (ii) veterans of the United States armed
27 forces;

1 (iii) formerly incarcerated individuals;
2 and
3 (iv) underemployed individuals who are
4 working without industry-recognized certifications or other
5 credentials.

6 Sec. 302.256. GRANT AWARD; GRANT AMOUNT. (a) The
7 commission may award grants under this subchapter only to reimburse
8 an eligible person for the cost of training industry-recognized
9 apprenticeship program participants who:

10 (1) complete a program operated by the person that
11 meets the requirements of Section 302.255(4) having achieved the
12 skills level required by Section 302.255(4)(D); and

13 (2) maintain suitable employment for at least 12
14 consecutive months immediately following completion of the
15 program.

16 (b) Grant funds awarded to an eligible person under this
17 subchapter must be awarded on a per industry-recognized
18 apprenticeship program participant basis. The amount of a grant
19 awarded to an eligible person for training a participant described
20 by Subsection (a) may not exceed the lesser of:

21 (1) the total cost to the person for training the
22 participant, excluding wages and benefits; or

23 (2) \$10,000.

24 (c) In determining the amount of a grant awarded under this
25 subchapter for an industry-recognized apprenticeship program
26 participant, the commission may consider the increased economic
27 value to the state resulting from or reasonably anticipated to

1 result from the participant's completion of the program, including
2 by considering any increase or anticipated increase in the amount
3 of tax revenue generated by the participant, and any decrease in the
4 participant's use of a state-funded benefit, attributable to the
5 participant's job placement and earning projections. The
6 commission by rule may establish guidelines or formulas for
7 determining an increase in economic value to the state attributable
8 to a participant's program completion for purposes of this
9 subsection.

10 (d) The commission by rule may establish limitations on the
11 total amount of grant funds that a person may be awarded under this
12 subchapter.

13 Sec. 302.257. PROGRAM RULES. (a) The commission shall
14 adopt rules to administer and enforce this subchapter.

15 (b) The commission shall post the rules on its Internet
16 website.

17 Sec. 302.258. ANNUAL REPORT. (a) Not later than December 1
18 of each year, the commission shall submit to the lieutenant
19 governor, the speaker of the house of representatives, and the
20 members of the legislature a report on grants made under this
21 subchapter that states:

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

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

27 (3) the total amount of each grant awarded to a grant

1 recipient;

2 (4) the number and categorization of
3 industry-recognized apprenticeship program participants trained
4 and employed by each grant recipient under Section 302.255(4)(F);

5 (5) a determination of whether the grant program
6 administered under this subchapter has resulted in a positive
7 return on investment to the state and an explanation of the methods
8 used by the commission in making that determination; and

9 (6) if the commission considers it appropriate and
10 feasible, a list of recommendations for legislative or other
11 changes to the grant program administered under this subchapter to
12 increase the return on investment to the state.

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

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

18 (d) The commission shall post the annual report on its
19 Internet website.

20 SECTION 2. The Texas Workforce Commission is required to
21 implement a provision of this Act only if the legislature
22 appropriates money specifically for that purpose. If the
23 legislature does not appropriate money specifically for that
24 purpose, the Texas Workforce Commission may, but is not required
25 to, implement a provision of this Act using other appropriations
26 available for that purpose.

27 SECTION 3. This Act takes effect September 1, 2019.

President of the Senate

Speaker of the House

I certify that H.B. No. 2784 was passed by the House on May 10, 2019, by the following vote: Yeas 117, Nays 16, 1 present, not voting; and that the House concurred in Senate amendments to H.B. No. 2784 on May 24, 2019, by the following vote: Yeas 119, Nays 23, 2 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 2784 was passed by the Senate, with amendments, on May 22, 2019, by the following vote: Yeas 27, Nays 4.

Secretary of the Senate

APPROVED: _____

Date

Governor