

House Bill 2784
Senate Amendments
Section-by-Section Analysis

HOUSE VERSION

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

SUBCHAPTER I. TEXAS INDUSTRIAL WORKFORCE APPRENTICESHIP GRANT PROGRAM

Sec. 302.251. 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. 302.252. DEFINITIONS. In this subchapter:

(1) "Apprenticeship program" means a training program that:

(A) 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; or

(B) is certified as an industry-recognized apprenticeship program by a third-party certifier that has received from the United States Department of Labor a favorable determination of qualification to award that certification.

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

Sec. 302.253. PROGRAM. The commission 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 commission shall provide grants for persons who meet the requirements of Section 302.255.

Sec. 302.254. TEXAS INDUSTRIAL WORKFORCE APPRENTICESHIP FUND. (a) The Texas industrial

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(Unless otherwise indicated, all SECTIONS below are from FA1).

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

SUBCHAPTER I. TEXAS INDUSTRY-RECOGNIZED APPRENTICESHIP PROGRAMS GRANT PROGRAM

Sec. 302.251. PURPOSE. The purpose of the Texas Industry-Recognized Apprenticeship Programs 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. 302.252. DEFINITIONS. In this subchapter:

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

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

(B) is certified as an industry-recognized apprenticeship program by a third-party certifier that has received from the United States Department of Labor a favorable determination of qualification to award that certification.

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

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

Sec. 302.254. TEXAS INDUSTRY-RECOGNIZED APPRENTICESHIP FUND. (a) The Texas industry-

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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 302.255.

Sec. 302.255. 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 successful completion of the training period;

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recognized 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 302.255.

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

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

(2) 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;

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

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

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

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

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(C) pays each participant at least \$15 per hour during the training period and provides eligibility for participants to receive full-time employee benefits during and on successful completion of the training period;

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

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

(F) gives preference to training and hiring:

(i) unemployed Texans who have filed with the 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. 302.256. LIMITATIONS ON GRANT AMOUNT.

The amount of a grant awarded under this subchapter may not exceed the lesser of \$10,000 per apprenticeship program

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

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

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

(F) gives preference to training and hiring:

(i) unemployed Texans who have filed with the 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. 302.256. GRANT AWARD; GRANT AMOUNT. (a)

The commission may award grants under this subchapter only to reimburse an eligible person for the cost of training industry-recognized apprenticeship program participants who:

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

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

(b) Grant funds awarded to an eligible person under this subchapter must be awarded on a per industry-recognized apprenticeship program participant basis.

The amount of a grant awarded to an eligible person for training a participant described by Subsection (a) may not exceed the lesser of:

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participant or the cost of training, not including wages and benefits.

Sec. 302.257. REQUIREMENTS; GRANT AWARD. (a) The commission shall distribute the grant funds on an individualized basis as a reimbursement for training costs incurred by grant recipients in accordance with Section 302.256.

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

(1) completed the program and achieved the training requirements specified by Section 302.255(3)(D); and

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

(2) \$10,000.

(c) In determining the amount of a grant awarded under this subchapter for an industry-recognized apprenticeship program participant, the commission may consider the increased economic value to the state resulting from or reasonably anticipated to result from the participant's completion of the program, including by considering any increase or anticipated increase in the amount of tax revenue generated by the participant, and any decrease in the participant's use of a state-funded benefit, attributable to the participant's job placement and earning projections. The commission by rule may establish guidelines or formulas for determining an increase in economic value to the state attributable to a participant's program completion for purposes of this subsection.

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

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(2) maintained available and suitable employment for a period of not less than six months.

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

Sec. 302.258. PROGRAM RULES. (a) The commission shall adopt rules to administer and enforce this subchapter.

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

Sec. 302.259. ANNUAL REPORT. (a) Not later than December 1 of each year, the commission 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 302.255(3)(F).

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(Unless otherwise indicated, all SECTIONS below are from FA1).

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

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

Sec. 302.258. ANNUAL REPORT. (a) Not later than December 1 of each year, the commission 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;

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

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

(6) if the commission considers it appropriate and feasible, a list of recommendations for legislative or other changes to

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- (b) The report may not include information that is made confidential by law.
- (c) The commission may require a grant recipient under this subchapter to submit, on a form provided by the commission, information required to complete the report.
- (d) The commission shall post the annual report on its Internet website.

No equivalent provision.

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

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the grant program administered under this subchapter to increase the return on investment to the state.

- (b) The report may not include information that is made confidential by law.
- (c) The commission may require a grant recipient under this subchapter to submit, on a form provided by the commission, information required to complete the report.
- (d) The commission shall post the annual report on its Internet website.

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

SECTION 3. Same as House version.

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