

AN ACT

relating to the creation of the Lone Star Workforce of the Future Fund.

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

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

CHAPTER 134A. LONE STAR WORKFORCE OF THE FUTURE FUND

Sec. 134A.001. DEFINITIONS. In this chapter:

(1) "Commission" means the Texas Workforce Commission.

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

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

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

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

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

(4) strengthen the state's economy by increasing the

1 competitiveness of businesses in this state and the recruitment of  
2 businesses to this state.

3 Sec. 134A.003. LONE STAR WORKFORCE OF THE FUTURE FUND. (a)  
4 The commission shall establish and administer the Lone Star  
5 Workforce of the Future Fund as a dedicated account in the general  
6 revenue fund.

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

8 (1) any money appropriated by the legislature for the  
9 fund for purposes of this chapter;

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

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

14 Sec. 134A.004. ADVISORY BOARD. (a) An advisory board of  
15 education and workforce stakeholders is created to assist the  
16 commission in administering this chapter.

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

19 (1) one member appointed by the governor;

20 (2) one member appointed by the lieutenant governor;

21 (3) one member appointed by the speaker of the house of  
22 representatives;

23 (4) one member appointed by the Texas Higher Education  
24 Coordinating Board;

25 (5) one member appointed by the commission; and

26 (6) the chair of the commission, who serves as the  
27 presiding officer.

1       (c) The advisory board shall meet at least twice each  
2 calendar year, or as needed, to make recommendations on awarding  
3 grants under this chapter.

4       Sec. 134A.005. FUND USE. Money in the Lone Star Workforce  
5 of the Future Fund may be used by the commission only to:

6           (1) award grants as provided by this chapter; and

7           (2) conduct, with a consortium of corporate partners  
8 identified by the commission as having available entry-level  
9 workforce demand, due diligence assessment reviews of entities  
10 receiving grants under this chapter.

11       Sec. 134A.006. LONE STAR WORKFORCE OF THE FUTURE FUND GRANT  
12 PROGRAM. The commission shall establish and administer the Lone  
13 Star Workforce of the Future Fund grant program to provide grants to  
14 public junior colleges, public technical institutes, and nonprofit  
15 organizations that apply to the commission in the manner prescribed  
16 by the commission and satisfy the eligibility criteria prescribed  
17 by Section 134A.007. The commission shall award the grants on the  
18 advice and recommendations of the advisory board.

19       Sec. 134A.007. GRANT ELIGIBILITY. To be eligible to  
20 receive a grant under this chapter, a public junior college, public  
21 technical institute, or nonprofit organization must:

22           (1) administer one or more performance-based  
23 workforce training programs that:

24           (A) lead to skill development and experiences  
25 required for employment in high demand occupations in at least one  
26 career field identified and listed as a high-growth career field  
27 by:

1                   (i) the commission;  
2                   (ii) the Texas Workforce Investment  
3 Council; or

4                   (iii) the Tri-Agency Workforce Initiative  
5 established under Chapter 2308A, Government Code;

6                   (B) are developed and provided based on  
7 consultation with and input from employers who are hiring in high  
8 demand occupations;

9                   (C) create pathways to employment for program  
10 participants; and

11                   (D) are delivered through classroom-based or  
12 online instruction, work-based experiences internships, or  
13 apprenticeships, or through a combination of those methods;

14                   (2) demonstrate through third-party validated data  
15 successful outcomes in:

16                   (A) recruiting local unemployed and  
17 underemployed individuals to participate in the training program or  
18 programs;

19                   (B) training individuals with the skills needed  
20 to secure full-time employment paying at least a self-sufficient  
21 wage as determined under Section 2308A.012, Government Code, in the  
22 relevant job field; and

23                   (C) placing individuals in employment in high  
24 demand occupations;

25                   (3) demonstrate the ability to attract at least 40  
26 percent of the necessary funding for training program operation  
27 from revenue streams other than state government funding; and

1           (4) agree to:

2                   (A) collaborate with the commission, corporate  
3 partners, and nonprofit educational partners to determine the  
4 training programs to be provided using grant money;

5                   (B) secure support from local businesses to  
6 ensure alignment between training program offerings and in-demand  
7 skills;

8                   (C) collaborate with regional employers, public  
9 junior colleges, public technical institutes, or nonprofit  
10 organizations to make available developmental work-based  
11 experiences to further enhance training program participants'  
12 career readiness;

13                   (D) engage local entities and organizations,  
14 including local workforce development boards and community-based  
15 organizations, to assist with identifying and recruiting eligible  
16 training program participants;

17                   (E) provide documentation to the commission  
18 describing training program offerings, including information  
19 necessary to verify that the offerings will:

20                           (i) provide training that is not exclusive  
21 to a single corporate partner; and

22                           (ii) lead to knowledge, skills, and  
23 work-based experiences that are transferable to similar employment  
24 opportunities in high demand occupations offered by other  
25 employers; and

26                   (F) comply with any additional grant conditions  
27 prescribed by commission rule, including performance benchmarks

1 established under Section 134A.008 and reporting requirements  
2 established under Section 134A.009.

3 Sec. 134A.008. PERFORMANCE BENCHMARKS. (a) The commission  
4 by rule shall establish performance benchmarks for entities  
5 receiving grants under this chapter. The benchmarks must include a  
6 requirement that an entity facilitate the successful transition of  
7 at least 50 percent of the entity's training program participants  
8 from low wage work or unemployment to full-time jobs offering a  
9 self-sufficient wage as determined under Section 2308A.012,  
10 Government Code, and the opportunity for career mobility, as  
11 determined by the commission, within six months of training program  
12 completion.

13 (b) The commission by rule shall require reimbursement on a  
14 pro rata basis by an entity that does not meet a performance  
15 benchmark required by this section.

16 (c) An entity is not required to comply with a performance  
17 benchmark required by this section if the entity's compliance is  
18 not possible because of an act of God, force majeure, or a similar  
19 cause not reasonably within the entity's control.

20 Sec. 134A.009. REPORTING REQUIREMENTS. The commission by  
21 rule shall require each entity receiving a grant under this chapter  
22 to submit progress reports to the commission at least twice  
23 annually. Each progress report must include the following  
24 information relating to a training program funded by the grant:

- 25 (1) the number of participants;  
26 (2) an update on progress toward performance  
27 benchmarks;

1           (3) a description of any key accomplishments achieved,  
2 lessons learned, or setbacks or risks incurred by the entity in  
3 administering the training program;

4           (4) an explanation of any material changes to the  
5 training program's work plan, team, or budget; and

6           (5) the amount of grant money spent by the entity  
7 during the reporting period.

8           Sec. 134A.010. GRANT AMOUNT. The amount of a grant awarded  
9 to an entity under this chapter for a training program may not  
10 exceed \$15,000 per training program participant.

11           Sec. 134A.011. GRANT USE. An entity may use grant money  
12 received under this chapter only for:

13                   (1) curriculum development;

14                   (2) instructor fees and certifications;

15                   (3) training materials;

16                   (4) work-related expenses;

17                   (5) work-based experience stipends;

18                   (6) related wraparound services important to help  
19 ensure success for training program participants as determined by  
20 commission rule; and

21                   (7) administrative costs as determined by commission  
22 rule, except that the amount used by an entity for that purpose may  
23 not exceed 10 percent of the total amount of grant money received by  
24 the entity.

25           Sec. 134A.012. RULES. The commission shall adopt rules as  
26 necessary to administer this chapter.

27           SECTION 2. The Texas Workforce Commission shall adopt rules

1 for the administration of Chapter 134A, Education Code, as added by  
2 this Act, as soon as practicable following the effective date of  
3 this Act but not later than December 1, 2023.

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

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

20 (c) This section expires and any duty suspended by  
21 Subsection (a) of this section becomes mandatory on September 1,  
22 2027.

23 SECTION 4. This Act takes effect September 1, 2023.



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President of the Senate

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Speaker of the House

I certify that H.B. No. 1755 was passed by the House on April 26, 2023, by the following vote: Yeas 121, Nays 27, 1 present, not voting.

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Chief Clerk of the House

I certify that H.B. No. 1755 was passed by the Senate on May 12, 2023, by the following vote: Yeas 22, Nays 8.

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Secretary of the Senate

APPROVED: \_\_\_\_\_

Date

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Governor