

By: Alvarado

S.B. No. 592

A BILL TO BE ENTITLED

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 once each
2 calendar quarter, or as needed, to review grant applications and
3 make recommendations on awarding 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. (a) The commission shall establish and administer the
13 Lone Star Workforce of the Future Fund grant program to provide
14 grants to eligible public junior colleges, public technical
15 institutes, and nonprofit organizations that apply to the advisory
16 board in the manner prescribed by the advisory board. The
17 commission shall award the grants on the advice and recommendations
18 of the advisory board.

19 (b) Grants may be awarded under this chapter from the Lone
20 Star Workforce of the Future Fund to eligible public junior
21 colleges, public technical institutes, and nonprofit organizations
22 with demonstrated success at delivering impactful workforce
23 training that enables underserved Texans to access careers in high
24 demand occupations in this state.

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

1 (1) coordinate and deliver a workforce training
2 program, through classroom-based or online instruction, work-based
3 experiences internships, or apprenticeships, or through a
4 combination of those methods, in at least one of the following high
5 growth fields, which may be revised by the commission periodically
6 by rule based on input from the Texas Workforce Investment Council:

- 7 (A) accounting and corporate finance;
- 8 (B) application development and support;
- 9 (C) business fundamentals;
- 10 (D) client services and sales support;
- 11 (E) consumer banking;
- 12 (F) customer service;
- 13 (G) cybersecurity;
- 14 (H) data analytics;
- 15 (I) help desk/desktop support;
- 16 (J) investment operations;
- 17 (K) life science and bioscience development;
- 18 (L) manufacturing;
- 19 (M) project management support; or
- 20 (N) quality assurance;

21 (2) demonstrate through third-party validated data
22 successful outcomes in:

23 (A) recruiting local unemployed and
24 underemployed individuals to participate in the training program;

25 (B) training individuals with the skills needed
26 to secure full-time, family-sustaining employment in the relevant
27 job field; and

1 (C) placing individuals in employment described
2 by Paragraph (B);

3 (3) demonstrate the ability to attract at least 40
4 percent of the necessary funding for training program operation
5 from revenue streams other than government funding, philanthropy,
6 and earned revenue; and

7 (4) agree to:

8 (A) collaborate with the commission, corporate
9 partners, and nonprofit educational partners to determine the
10 training programs to be provided using grant money;

11 (B) secure support from local businesses to
12 ensure alignment between training program offerings and in-demand
13 skills;

14 (C) collaborate with regional employers to make
15 available developmental work-based experiences to further enhance
16 training program participants' career readiness;

17 (D) engage local entities and organizations,
18 including local workforce development boards and community-based
19 organizations, to assist with identifying and recruiting eligible
20 training program participants; and

21 (E) comply with any additional grant conditions
22 prescribed by commission rule, including performance benchmarks
23 established under Section 134A.008 and reporting requirements
24 established under Section 134A.009.

25 Sec. 134A.008. PERFORMANCE BENCHMARKS. The commission by
26 rule shall establish performance benchmarks for entities receiving
27 grants under this chapter. The benchmarks must include a

1 requirement that an entity facilitate the successful transition of
2 at least 50 percent of an entity's training program participants
3 from low wage work or unemployment to full-time jobs offering a
4 family-sustaining wage and the opportunity for career mobility, as
5 determined by the commission, within four months of training
6 program completion.

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

- 12 (1) the number of participants;
- 13 (2) an update on progress toward performance
14 benchmarks;
- 15 (3) a description of any accomplishments achieved,
16 lessons learned, or setbacks or risks incurred by the entity in
17 administering the training program;
- 18 (4) an explanation of any changes to the training
19 program's work plan, team, or budget; and
- 20 (5) the amount of grant money spent by the entity
21 during the reporting period.

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

25 Sec. 134A.011. GRANT USE. An entity may use grant money
26 received under this chapter only for curriculum development,
27 instructor fees and certifications, training materials, and

1 work-related expenses for training program participants as
2 determined by commission rule.

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

5 SECTION 2. The Texas Workforce Commission shall adopt rules
6 for the administration of Chapter 134A, Education Code, as added by
7 this Act, as soon as practicable following the effective date of
8 this Act but not later than December 1, 2023.

9 SECTION 3. This Act takes effect September 1, 2023.