

SUBJECT: Establishing a voluntary apprenticeship program and a tech-prep program

COMMITTEE: Economic Development — committee substitute recommended

VOTE: 8 ayes — Jim Solis, Van de Putte, Deshotel, Homer, Keffer, Luna,
McClendon, Seaman

0 nays

1 absent — Yarbrough

WITNESSES: For — Andrew Wise, American Electronics Association; J. David Griffith;
Richard Perez; Jim Quinten; Brenda R. Thames

Against — None

On — Robert Franks, Texas Higher Education Coordinating Board

BACKGROUND: **Voluntary apprenticeship program.** The Texas Workforce Commission (TWC) administers funds that help pay for the costs of the job-related classroom instruction portion of the federal apprenticeship program. The state Apprenticeship and Training Advisory Committee advises the Texas Council on Workforce and Economic Competitiveness on the delivery of apprenticeship training in Texas. Committee members are selected from across the state and include employers, bargaining agents, training directors, and education administrators.

The program is designed to prepare students for occupations in skilled trades and crafts. It combines on-the-job training under the supervision of experienced workers with related classroom instruction. All programs must be registered with the U.S. Department of Labor's Bureau of Apprenticeship and Training. The bureau recognizes about 800 occupations that can be learned through apprenticeship.

Tech-prep education. The Texas Education Agency (TEA) administers tech-prep programs in Texas. The Texas Higher Education Coordinating Board (THECB) distributes federal funds provided through the Carl D. Perkins Vocational Education and Applied Technology Act to public community and

technical colleges. These funds include about \$8 million per year in tech-prep grants, which are awarded competitively.

Tech-prep programs consist of six-to-eight year plans of study that begin as early as the ninth grade. In most programs, courses taken in high school count as college credit. After introductory career and technology courses, a four-year technical core curriculum begins no later than the 11th grade and continues through two years of education at a community or technical college. Many programs have options for continuing with baccalaureate-level and more advanced study.

Texas has 25 tech-prep consortia that include secondary schools, one or more community or technical colleges, and in some cases, senior post-secondary institutions, business and industry, and labor organizations. There are 505 approved tech-prep associate degree programs in 762 Texas school districts, which represent 78 percent of school districts with high schools.

DIGEST:

CSHB 2401 would establish a statewide voluntary apprenticeship program in which employers would train students in a particular field, then pay part of their post-secondary education costs. The bill also would establish a tech-prep program for high schools and community and technical colleges.

Voluntary apprenticeship program. CSHB 2401 would codify this program in Labor Code, Title 4, Subtitle B. Under the program, a student at least 16 years old could intern or apprentice with a local employer as early as the student's junior or senior year in high school. A participating business would help pay the cost of the student's post-secondary education if the student continued the program.

TEA, in conjunction with TWC, would certify apprenticeship programs and adopt rules necessary to administer each entity's duties under the program. The bill also would require TWC to provide information and technical assistance to TEA, secondary and post-secondary schools, employers, and local workforce development boards.

To be eligible for certification, a program would have to:

- ! include an agreement by the employer to assign an employee to serve as a mentor for the student;

- ! comply with all state and federal laws, including fair labor standards and workplace health and safety;
- ! comply with recognized industry standards applicable to the program in which the participant was engaged; and
- ! be conducted under an organized, written plan outlining the terms and conditions of employment, job training, classroom instruction, and supervision of participating students.

HB 2401 would require participating employers to pay students a base wage not less than the minimum wage. A student could not spend more than 15 hours a week in a program, regardless of whether the student was paid for extra time. The bill would prohibit an employer from retaining students only to replace that employer's current employees.

A certified program would have to be conducted under a signed written agreement between each student and employer. The agreement could include the employer's agreement to provide paid employment for the student at not less than the minimum wage during the internship; a description of the career field in which the student would be trained; and the names and signatures of the student, sponsor, employer, and a parent or guardian if the participant were under 18 years of age.

A student could continue an apprenticeship program and enter into a post-secondary education agreement with the employer. The employer would have to hold half of the student's wages in trust to be applied toward the student's post-secondary education. The employer also would have to deposit matching funds into the trust. If a participant decided not to continue in the program before beginning post-secondary education, both the participant's and the employer's contributions into the trust would be refunded no later than the 30th day after the last day the student participated in the program.

A participating student would have to agree to work for the employer for at least two years after the student completed post-secondary education. In return, the employer would have to agree to pay the participant at least the prevailing wage for employees with similar education or license performing a similar job and to provide benefits. A participant who failed to complete the two years of employment would have to reimburse the employer for the employer's contribution to the trust, plus interest.

Tech-prep education. CSHB 2401 would codify the tech-prep program in Education Code, chapter 61.

A tech-prep consortium — a regional collaboration of school districts, institutions of higher education, businesses, labor organizations, and other participants — would work to implement a regional tech-prep program. Each regional consortium would be governed by a board composed of private- and public-sector leaders. CSHB 2401 would require the board to determine the policies for the consortium, select a director, and select an entity to act as the consortium's fiscal agent and to provide administrative services.

CSHB 2401 would require THECB to allot the federal tech-prep implementation money that Texas received to the regional tech-prep consortia. The coordinating board would have to allot the money in accordance with a formula adopted by the board.

Grants. THECB would use the federal funds to award grants to the regional consortia for tech-prep programs. To qualify for a grant, a tech-prep program would have to:

- ! be implemented under an articulation agreement;
- ! consist of two to four years of secondary school preceding graduation and either two or more years of higher education or two or more years of apprenticeship following high school;
- ! have a common core of required proficiencies, based on State Board of Education recommendations, designed to lead to an associate's degree or post-secondary certificate in a specific career field;
- ! include the development of tech-prep program curricula that meet state academic standards; link secondary schools and two-year post-secondary institutions, and if possible, four-year institutions; use work-based or worksite learning in conjunction with business and industry; and use educational technology and distance learning;
- ! provide for preparatory services that assist participants in tech-prep programs;
- ! include in-service training for teachers;
- ! include training programs designed to enable counselors to provide information more effectively to assist students in these programs; and

- ! provide equal access to the full range of tech-prep programs for individuals who are members of special populations.

Each regional consortium would have to submit an application to THECB that contained a five-year plan for the development and implementation of tech-prep programs, showed that the application had been approved by the consortium's governing board, and showed that the entity selected to serve as the consortium's fiscal agent had agreed to do so.

CSHB 2401 would require THECB to approve any application that met these requirements and to ensure equitable distribution between urban and rural consortium participants. The board could give special consideration to programs that met additional requirements.

Each consortium that received a grant would have to prepare an annual report on the effectiveness of each tech-prep program and submit it to THECB. After the second year of the required five-year plan, each consortium would have to review its plan and make any necessary changes.

Demonstration programs. From federal funds appropriated for this purpose each fiscal year, THECB could award grants to regional consortia to establish and implement tech-prep demonstration programs. A demonstration program would have to meet the same requirements as a tech-prep program to receive grant money.

In a demonstration program, a secondary school would be located on the site of a junior college, would have to involve a business as a consortium participant, would have to include the voluntary participation of secondary school students in the program, and could provide summer internships at a business for students and teachers.

CSHB 2401 would take effect September 1, 1999, and would not affect the validity of workforce training programs existing as of that date.

SUPPORTERS
SAY:

Texas needs to make education and workforce development its number one economic development priority. A knowledgeable and skilled workforce is the greatest economic development tool the state can acquire and would rank Texas favorably with other globally competitive regions.

CSHB 2401 would encourage cooperative partnership arrangements among Texas high schools, local community colleges and universities, economic development councils, and business leaders. Its goal is to make voluntary career and technology academics a bonus to the high school diploma. Students then could expand their skills further through a technical college, internship, or apprenticeship.

Voluntary apprentice program. Not all students decide to attend college. Only about 25 percent of high school students in Texas choose to go on to a four-year college straight out of high school. Instead, many students choose to attend a technical school or pursue a two-year associate's degree from a junior college. Their needs for education to develop marketable workplace skills are very different from those that the current college-track system addresses. CSHB 2401 would allow students to gain real-world work experience and earn money for college at the same time.

This program would limit students to working 15 hours per week during the school year, and they would earn at least minimum wage. Employers would hold part of the students' earnings in trust and would contribute matching funds. Upon graduation, the trust would help pay for the student's education costs at either a junior college or a technical school. This voluntary program would not replace the core high school curriculum but would be a bonus to the core program.

This program also would benefit businesses, who would be guaranteed to have the student as an employee for at least two years after the student completed post-secondary education. Student, in turn, would have the security of guaranteed positions in their chosen fields.

Tech-prep education. The skills of the state's workforce do not meet the needs of employers, and Texas' educational system is disconnected from the business community, according to the Strategic Economic Development Planning Commission. Almost 60 percent of new jobs in the U.S. economy require more than a high school education but less than a baccalaureate. The modern global economy, driven by rapid changes in technology, requires that workers possess high-level skills in communication, critical thinking, problem-solving, adaptability, and lifelong learning.

Tech-prep has operated effectively in Texas since 1991, but the Legislature never has enacted statewide policies. Legislation is needed to institutionalize the tech-prep system to help Texas achieve its economic development goals.

CSHB 2401 would ensure local control over tech-prep programs. Tech-prep consortia would be governed by local private-sector-led boards. These boards would set policies for the programs and would be essential for the consortia to function effectively for business and for students.

OPPONENTS
SAY:

CSHB 2401 is unnecessary because federal apprenticeship and tech-prep programs already exist and are administered by state agencies. The bill would create more bureaucracy and could lead to more federal control of public schools. Furthermore, creating workforce standards would dilute academic standards. Texas public schools should focus on core skills before adding other courses.

Voluntary apprenticeship program. Public schools are not providing core academic skills to all students, and CSHB 2401 would not encourage any improvement. If only 25 percent of high school students are choosing to attend four-year baccalaureate programs, the state should focus on encouraging students to seek higher education. At the very least, this program should allow the money a student earns in an apprenticeship to pay the cost of a four-year college. This would encourage students to excel in core studies as well as focus on career goals.

Tech-prep education. CSHB 2401's provisions for a statewide tech-prep education program mostly would copy existing federal guidelines. Texas could become ineligible for federal funds if federal rules changed and state law conflicted with the changes.

Some provisions would conflict with current federal law. Under federal rules, the secretary of education awards grants directly to demonstration tech-prep programs. However, in October 1998, Congress did not reauthorize funds for this program. Therefore, no funds are available for these grants.

This bill would create local governing boards for tech-prep consortia. The authority granted to these boards would conflict with federal rules and could jeopardize the funding Texas received for tech-prep programs. CSHB 2401 would require these local governing boards to determine policies of the

consortia. Federal rules require Texas to meet specific requirements to receive federal tech-prep funds. Local governing boards could establish rules that conflicted with federal guidelines, making Texas ineligible to receive federal funds.

As a condition of preauthorization of federal funds, Texas has submitted a plan showing evidence that students are benefitting from the program. This bill would provide no similar accountability for the governing boards that would have authority to set policies for the consortia.

OTHER
OPPONENTS
SAY:

The committee substitute weakened the provision in the original bill that would have required a written, signed agreement between an employer and a student participating in an apprenticeship program. The original bill would have required the agreement to include certain protections for students.

NOTES:

Rep. Oliveira plans to offer a floor amendment that would delete the section of the bill providing for grants for tech-prep demonstration projects.

The committee substitute added the provisions for tech-prep education and made changes to the voluntary apprentice program. The substitute also added the provision that the agreement for an apprenticeship program could require the employer to pay the student a base wage not less than the minimum wage. It also added provisions for cases in which a student did not complete the entire program.

HB 2727 by Jim Solis, which would create a statewide tech-prep program, has been referred to the House Higher Education Committee. Its companion bill, SB 1027 by Lucio, is pending in the Senate Education Committee.