

SUBJECT: Creating the Texas Industrial Workforce Apprenticeship Grant Program

COMMITTEE: International Relations and Economic Development — committee substitute recommended

VOTE: 7 ayes — Anchia, Frullo, Blanco, Metcalf, Perez, Raney, Romero

0 nays

2 absent — Cain, Larson

WITNESSES: For — James Slaughter, S & B Engineers and Constructors; Eva Arriaga; Stacia Brightmon; Dwana Grace; (*Registered, but did not testify:* Jon Fisher, Associated Builders and Contractors of Texas; Dana Chiodo, CompTIA; Daniel Womack, Dow; Chance Sampson, Entergy Texas; Traci Berry, Goodwill Central Texas; Annie Spilman, National Federation of Independent Business; James Mathis, Occidental Petroleum; Dan Shelley, Plumbing Heating Cooling Contractors; Ray Sullivan, Quanta Services; Lori Henning, Texas Association of Goodwills; Mike Meroney, Texas Association of Manufacturers; Austin McCarty, Texas Chemical Council; Kenneth Besserman, Texas Restaurant Association; Dana Moore, Texas Trucking Association)

Against — (*Registered, but did not testify:* Jim Baxa)

On — (*Registered, but did not testify:* Drew Scheberle, Greater Austin Chamber of Commerce)

DIGEST: CSHB 2784 would require the Texas Workforce Commission (TWC) to establish and administer the Texas Industrial Workforce Apprenticeship Grant Program to address the state's immediate industrial workforce needs resulting from the impact of Hurricane Harvey and overall workforce shortages by providing grants to the private sector to develop specialized industrial workforce apprenticeship programs.

Apprenticeship fund. The bill would establish the Texas industrial

workforce apprenticeship fund as a dedicated account in the general revenue fund. It would be funded with money appropriated by the Legislature, earned interest, and gifts, grants, and other donations. The fund could be used only for the apprenticeship program.

Apprenticeship program grants. The bill would define "apprenticeship program" as a training program that:

- provided on-the-job training, preparatory instruction, supplementary instruction, or related instruction in a trade recognized as an apprenticeable occupation by the Office of Apprenticeship of the U.S. Department of Labor; or
- was certified as an industry-recognized apprenticeship program by a third-party certifier that was qualified by the U.S. Department of Labor.

To be eligible to receive a grant under the bill, if a person was an entity, the person would have to be in good standing under state laws, not owe delinquent taxes; and already have in place an apprenticeship program. The apprenticeship program would have to:

- provide on-the-job training under an industry-recognized, accredited training curriculum;
- guarantee employment for participants during and on successful completion of the training period;
- pay each participant at least \$15 per hour during the training period and provide eligibility for participants to receive full-time employee benefits during and on successful completion of the training period;
- require participants to advance their skills, at a minimum, to a credentialed, performance-verified mid-level status in the field related to the apprenticeship program;
- have a maximum duration of 26 weeks; and
- give preference to hiring individuals who are unemployed, underemployed and uncredentialed, formerly incarcerated, or veterans.

Under the bill, the term "person" would not include a governmental entity.

Before awarding a grant, the commission would have to determine that a sufficient number of apprenticeship program participants had completed the program and achieved the above training requirements and maintained employment for at least six months.

The bill would limit the amount of a grant awarded to the lesser of \$10,000 per apprenticeship program participant or the cost of training, not including wages and benefits.

TWC duties. TWC would have to adopt rules to administer and enforce the bill's provisions and would post those rules on its website.

By December 1 of each year, TWC would be required to submit to the lieutenant governor, House speaker, and the Legislature and post on its website a report on grants made under the bill. The report would have to state the number of direct jobs each grant recipient created, the median wage of the jobs created, the total amount of each grant awarded to recipients, and the number and categorization of apprenticeship program participants trained and employed by each grant recipient. The report could not include confidential information. TWC could require grant recipients to submit information required to complete this report.

The bill would take effect September 1, 2019.

NOTES:

According to the Legislative Budget Board, the bill's cost cannot be determined, as the number and amount of grants is unknown.