

SUBJECT: Establishing the Rural Workforce Training Grant Program

COMMITTEE: International Relations & Economic Development — favorable, without amendment

VOTE: 9 ayes — Button, Ordaz, Bumgarner, Clardy, Hayes, Meza, C. Morales, Plesa, Shine
0 nays

WITNESSES: For —Frank Leonardis, Ember Industries; April Daniels, Smithville Workforce Training Center; Jill Strube, Smithville Workforce Training Center; Janice Bruno (*Registered, but did not testify*: David White, Baylor Scott & White; Annie Spilman, NFIB; Dana Harris, Samsung Austin Semiconductor; Mike Meroney, Texas Association of Manufacturers (TAM); Greg Vaughn, Texas Association of Workforce Boards; David Reynolds, Texas Chapter American College of Physicians Services; Cameron Duncan, Texas Hospital Association; Ashley Morgan, Texas Organization of Rural & Community Hospitals (TORCH); Seth Juergens, Texas REALTORS; Kelsey Streufert, Texas Restaurant Association; Ashley Harris, United Ways of Texas; Linda Wilson)

Against — None

On —Courtney Arbour, Texas Workforce Commission; Paul Fletcher, Workforce Solutions Rural Capital Area; Donald Tracy

BACKGROUND: Some have suggested creating a workforce training grant program in rural communities could help to address workforce needs in those areas.

DIGEST: HB 3723 would establish and administer the Rural Workforce Training Grant Program under the Texas Workforce Commission (TWC) for the purpose of providing funding for job-specific workforce training and related services to strengthen the skills, resources, and career opportunities of the rural workforce in Texas.

Under the program, TWC would award grants to public, private, or nonprofit entities, including business associations, political subdivisions, local workforce development boards, and educational institutions, that:

- provided on-the-job training, apprenticeships, workforce education courses, and other job specific workforce development activities in a county with a population under 200,000; and
- submitted an application to TWC in a manner provided by TWC rule.

Grant money awarded to an entity under the program could be used only to cover certain costs associated with the training program as specified in the bill. TWC would require a grant recipient to provide periodic reports regarding the recipient's use of the grant money received and related training participation outcomes. TWC could solicit and accept gifts, grants, and donations from any public or private source.

By December 1 of each year, TWC would submit a report to the governor, lieutenant governor, the speaker of the House, and the standing committee of each house of the Legislature with primary jurisdiction over workforce development matters regarding the grants awarded under the program during the most recent fiscal year and the program's effectiveness.

TWC would be required to adopt rules for the administration of the program as soon as practicable after the effective date.

The bill would take effect September 1, 2023.

NOTES:

Legislative Budget Board estimates a negative impact of \$357,354 on general revenue related funds through fiscal 2024-25.