

CHAPTER 838. TEXAS INDUSTRY-RECOGNIZED APPRENTICESHIP GRANT PROGRAM

ADOPTED RULES TO BE PUBLISHED IN THE *TEXAS REGISTER*. THIS DOCUMENT WILL HAVE NO SUBSTANTIVE CHANGES BUT IS SUBJECT TO FORMATTING CHANGES AS REQUIRED BY THE OFFICE OF THE SECRETARY OF STATE.

ON **JUNE 9, 2026**, THE TEXAS WORKFORCE COMMISSION ADOPTED THE RULES BELOW WITH PREAMBLE TO BE SUBMITTED TO THE *TEXAS REGISTER*.

Publication Date of the Adoption in the *Texas Register*: **June 26, 2026**
The Rules are Effective: **June 29, 2026**

The Texas Workforce Commission (TWC) adopts amendments to the following sections of Chapter 838, relating to the Texas Industry-Recognized Apprenticeship Grant Program:

- Subchapter A. General Purpose and Definitions, §838.2
- Subchapter B. Grant Program, §838.12
- Subchapter C. Program Administration, §838.21 and §838.24

The amendments to §§838.2, 838.12, 838.21, and 838.24 are adopted *without changes* to the proposed text, as published in the February 20, 2026, issue of the *Texas Register* (51 TexReg 1034), and, therefore, the adopted rule text will not be published.

PART I. PURPOSE, BACKGROUND, AND AUTHORITY

The purpose of the Chapter 838 rule change is to implement the provisions of House Bill 3260 (HB 3260), enacted by the 89th Texas Legislature, Regular Session, 2025, relating to the Texas Industry-Recognized Apprenticeship (TIRA) Grant Program.

HB 3260 amended Texas Labor Code, Chapter 302, Subchapter I, Texas Industry-Recognized Apprenticeship Programs Grant Program, to enable TWC to respond better to workforce needs by more efficiently using the TIRA Grant Program and encouraging employers to participate in growing the state's skilled workforce.

Amended Texas Labor Code, §302.256, allows TWC to issue partial reimbursement payments to an eligible grant recipient as a program participant achieves on-the-job training and employment milestones instead of after the participant has completed the program.

Amended Texas Labor Code, §302.257, requires the Commission to adopt rules establishing a process for and criteria by which the Commission recognizes apprenticeable occupations and certifies training programs. It also requires rules for

setting performance metrics and making aggregated performance data available via TWC's website.

PART II. EXPLANATION OF INDIVIDUAL PROVISIONS

(Note: Minor editorial changes are made that do not change the meaning of the rules and, therefore, are not discussed in the Explanation of Individual Provisions.)

SUBCHAPTER A. GENERAL PURPOSE AND DEFINITIONS

TWC adopts the following amendments to Subchapter A:

§838.2. Definitions

Section 838.2 is amended to add definitions for "Recognized Occupation" and "TIRA Application and Implementation Guide."

The definition of "Texas Industry-Recognized Apprenticeship" is also amended to clarify that TWC determines which occupations are apprenticeable and that TWC certifies training programs as TIRAs, and that TIRA training programs must pay participants at least the Tri-Agency self-sufficiency wage instead of the local workforce development area's self-sufficiency wage.

SUBCHAPTER B. GRANT PROGRAM

TWC adopts the following amendments to Subchapter B:

§838.12. Notice of Grant Availability and Application

Section 838.12 is amended to add that the TIRA Application and Implementation Guide and links to TWC-approved apprenticeable occupations will be published on TWC's website.

Section 838.12 is also amended to add existing §838.24(2), relating to performance as a factor in determining funding eligibility, as new §838.12(b)(4).

SUBCHAPTER C. PROGRAM ADMINISTRATION

TWC adopts the following amendments to Subchapter C:

§838.21. Texas Industry-Recognized Apprenticeship Grants

Section 838.21(a) is amended to clarify the TIRA program's training and employment completion requirements.

Section 838.21 is also amended to add §838.21(c), which states that eligible TIRA grant recipients may receive reimbursements as training program participants achieve established milestones. Additionally, §838.21(c) states that the grant recipient must repay any milestone reimbursements received for any participant who does not complete the training program, including employment requirements, in a manner specified in the grant agreement.

§838.24. Performance

Section 838.24 is amended to add the performance requirements set forth in HB 3260.

Section 838.24 is also amended to remove §838.24(2), which is added as new §838.12(b)(4).

PART III. PUBLIC COMMENTS

The comment period ended on March 23, 2026.

TWC received comments from the following:

- AT&T
- MasTec
- Tekscend Photomask Round Rock Inc.
- Texas AFL-CIO and Texas State Building and Construction Trades Council
- State Representative Chris Turner

COMMENT: Tekscend Photomask Round Rock Inc. (Tekscend) expressed support for the proposed rule changes, specifically the removal of the requirement to use the targeted occupations list and the continuation of TWC's discretion to certify occupations outside the state's top 25 targeted occupations and the US Department of Labor's (DOL) Registered Apprenticeship list.

RESPONSE: The Commission appreciates Tekscend's support for the proposed rule changes. No changes were made in response to this comment.

COMMENT: AT&T expressed support for TWC's efforts to expand apprenticeship opportunities, particularly in broadband-related fields, but raised concerns about proposed §838.21(c). They noted that requiring employers to repay milestone reimbursements when apprentices resign voluntarily, or are terminated for cause, conflicts with the intent of milestone-based funding and may discourage participation. AT&T recommended revising the rule to exempt situations outside an employer's control while preserving accountability where appropriate.

RESPONSE: The Commission appreciates the commenter's support for expanding apprenticeship opportunities, including those that strengthen the broadband workforce. The Commission acknowledges the concerns raised regarding potential repayment of milestone-based reimbursements. However, Texas Labor Code, §302.256 limits the Commission to awarding partial-award grants as reimbursements for the cost of training industry-recognized apprenticeship program participants only when both of the following conditions are met:

- Completion of an eligible program; and
- Suitable employment maintained for at least 12 consecutive months.

These statutory requirements include provisions governing milestone-based payments and repayment obligations. Accordingly, no changes were made in response to this comment.

The Commission also recognizes that the statute does not require the 12 months of consecutive employment to be with the grantee. Agency staff will therefore clarify in the *TIRA Application and Implementation Guide* that post-training employment must be in the industry in which the apprentice was trained, which may include--but is not limited to--employment with the grantee. No changes were made in response to this comment.

COMMENT: State Representative Chris Turner expressed his support for TWC's efforts to expand apprenticeship opportunities and emphasized the importance of the TIRA Grant Program in meeting the state's skilled-worker needs. Representative Turner highlighted his legislative support for HB 2784 and HB 3260, noting that the latter strengthened reporting and transparency requirements for apprenticeship programs. Representative Turner urged the Commission to fully implement these reporting and public-transparency provisions to ensure accountability and program effectiveness. Representative Turner also thanked the Commission for its continued commitment to apprenticeship expansion.

RESPONSE: The Commission appreciates Representative Turner's support for expanding apprenticeship opportunities in Texas and its recognition of the importance of the TIRA Grant Program. The Commission also acknowledges his emphasis on the reporting and transparency provisions enacted by the legislature. As the agency responsible for implementing the statutory requirements of HB 3260, the Commission remains committed to ensuring that performance metrics, reporting timelines, and public transparency measures are fully carried out as directed. No changes were made in response to this comment.

COMMENT: The Texas AFL-CIO and Texas State Building and Construction Trades Council jointly submitted comments emphasizing the long-standing role of Registered Apprenticeship Programs (RAPs) as the national benchmark for high-quality workforce training.

The commenters raised concerns that allowing lower-quality programs to use the "apprenticeship" label without comparable oversight creates confusion for workers and employers and undermines the credibility of established apprenticeship pathways. They urged TWC to ensure that any program designated as an apprenticeship meets strong, transparent standards consistent with federal regulations, as required by HB 3260.

The commenters stated it was "important to emphasize the implementation and enforcement of the transparency guidelines outlined in HB 3260." The commenters further added that this includes public reporting of completion rates, retention outcomes, and wage data for participants supported with state funds. They recommended that the Commission adopt clear rules for data reporting, including:

- Annual public data release within 90 days of the TIRA program year's end;
- Retention outcomes measured 12 months after completion;
- Wage data at entry, completion, and post-completion;
- Program-level data disaggregated by the grant recipient; and
- Publication in accessible, searchable, and machine-readable formats.

The commenters stated that public transparency is essential for evaluating program effectiveness and ensuring taxpayer dollars support training that leads to real skills, stable employment, and long-term career pathways.

RESPONSE: The Commission appreciates the comments submitted. The Commission recognizes the commenters' concerns regarding potential confusion if programs that do not meet comparable quality and oversight standards are permitted to use the "apprenticeship" label. The Commission agrees that program performance information is essential for evaluating state investments and ensuring that training leads to meaningful skills, stable employment, and long-term career pathways. As part of the annual report required under this chapter, the Commission will consider these recommendations and include any legislative or programmatic changes, as authorized by statute, to help increase the state's return on investment. No changes were made in response to this comment.

COMMENT: MasTec expressed support for the expansion of high-quality apprenticeship opportunities under the TIRA program. The company emphasized that Texas faces significant telecommunications workforce shortages and urged TWC to adopt a broad, inclusive approach when certifying apprenticeable occupations under §838.11. MasTec recommended recognizing the full range of broadband-related roles--from entry-level craft positions to advanced technical and supervisory jobs--and encourages ongoing stakeholder engagement and regular updates to ensure the certified occupations list reflects evolving workforce needs.

MasTec also noted that telecommunications training requires substantial employer investment and that training programs are designed to move workers quickly into the field. MasTec stated that requiring 12 consecutive post-training months of employment before reimbursement does not align with industry realities, limits employer control over retention, and may discourage TIRA participation. MasTec recommended revising §838.21(b) to allow training time to count toward the 12-month requirement or reverting to the prior, more flexible standard, along with clearer guidance on compliance and documentation.

Additionally, MasTec expressed concerns about the proposed requirement that employers repay milestone reimbursements when participants do not complete training or meet post-training employment requirements, even when departures are voluntary or for cause.

MasTec argues that such an approach conflicts with statute, creates uncertainty, and could deter employer participation. MasTec recommended revising §838.21(c) so that employers would retain milestone reimbursements when they have met training obligations, with repayment required only when the employer fails to provide required training or terminates a participant without cause. MasTec suggested clarifying language and appropriate record-keeping requirements to support this approach.

RESPONSE: The Commission appreciates the comments regarding the need for a broad and flexible approach to certifying apprenticeable occupations under §838.11. The Commission, consistent with legislative intent, recognizes the significant workforce demands associated with broadband deployment and the importance of ensuring that the TIRA Grant Program reflects current and emerging labor market needs. This priority is underscored by the 89th Texas Legislature's additional \$5 million appropriation to support broadband-related apprenticeship training and engineering and construction occupations.

The Commission acknowledges MasTec's concerns regarding the proposed 12-month consecutive post-training employment requirement and the unique workforce dynamics within the telecommunications sector. The Commission understands that training investments are substantial and that project-based work can affect employment continuity. The Commission also appreciates the request for clearer compliance guidance and will outline these programmatic details in the *TIRA Application and Implementation Guide*.

The Commission appreciates the comments on the proposed repayment provisions and recognizes concerns that requiring repayment when participants leave voluntarily or for cause may create uncertainty for employers. However, Texas Labor Code, §302.256 limits the Commission to awarding partial award grants as reimbursements only when both of the following conditions are met:

--Completion of an eligible program; and

--Suitable employment maintained for at least 12 consecutive months.

These statutory requirements govern milestone-based payments and repayment obligations.

The Commission also notes that the statute does not require the 12 months of employment to be with the grantee. TWC staff will clarify in the *TIRA Application and Implementation Guide* that post-training employment must be in the industry in which the apprentice was trained, which may include--but is not limited to--employment with the grantee.

No changes were made as a result of these comments.

TWC hereby certifies that the rules have been reviewed by legal counsel and found to be within TWC's legal authority to adopt.

PART IV. STATUTORY AUTHORITY

The rules are adopted under the authority of:

--Texas Labor Code, §302.256, as amended by HB 3260, 89th Texas Legislature, Regular Session, 2025, which authorizes TWC to establish rules for distributing partial reimbursement payments to eligible individuals in on-the-job training programs as they achieve specific milestones.

--Texas Labor Code, §302.257, as amended by HB 3260, 89th Texas Legislature, Regular Session, 2025, which requires TWC to adopt rules for the administration and enforcement of the TIRA Grant Program.

--Texas Labor Code, §301.0015 and §302.002(d), which provide TWC with the authority to adopt, amend, or repeal such rules as it deems necessary for the effective administration of TWC services and activities.

The rules relate to Title 4, Texas Labor Code, particularly Chapter 302, Subchapter I.

**CHAPTER 838. TEXAS INDUSTRY-RECOGNIZED APPRENTICESHIP
GRANT PROGRAM**

SUBCHAPTER A. GENERAL PURPOSE AND DEFINITIONS

§838.2. Definitions.

The following words and terms, when used in this chapter, shall have the following meanings, unless the context clearly indicates otherwise.

- (1) Grant Recipient--An entity within Texas that is awarded TIRA funds by the Agency. Grant recipients must cooperate and comply with all contract requirements and Agency monitoring activities, as required by Chapter 802, Subchapter D of this title (relating to Agency Monitoring Activities).
- (2) Eligible Grant Applicant--An entity, as specified in state law, that is eligible to receive TIRA funding. Eligible grant applicants may include, but are not limited to, the following:
 - (A) Trade and industry groups
 - (B) Corporations
 - (C) Nonprofit organizations
 - (D) Educational institutions
 - (E) Unions
 - (F) Joint labor-management organizations
- (3) Texas Industry-Recognized Apprenticeship--A training program that:
 - (A) provides on-the-job training, preparatory instruction, supplementary instruction, or related instruction:
 - (i) in an occupation that has been recognized by the Agency as an apprenticeable occupation; and
 - (ii) under an industry-recognized and accredited training curriculum;
 - (B) is certified by the Agency as an industry-recognized apprenticeship program generally consistent with US Department of Labor

regulations under 29 Code of Federal Regulations, Part 29.5, Standards of Apprenticeship;

- (C) guarantees employment to participants during and upon successful completion of the training period;
 - (D) pays each participant a progressive wage and provides eligibility for participants to receive full-time employee benefits during and upon successful completion of the training period, equal to or above Tri-Agency self-sufficiency wage as defined by Texas Government Code, §2308A.012;
 - (E) requires participants to advance their skills, at a minimum, to a credentialed, performance-verified mid-level status in a field related to the TIRA;
 - (F) has a duration of no longer than 26 weeks; and
 - (G) gives preference to training and hiring:
 - (i) unemployed Texans who have registered with the Agency;
 - (ii) veterans of the United States armed forces;
 - (iii) formerly incarcerated individuals; and
 - (iv) underemployed individuals who are working without industry-recognized certifications or other credentials.
- (4) Participant--An individual training in a TIRA under an apprenticeship agreement who:
- (A) is a full-time paid worker, receiving benefits and employed in the private sector during training;
 - (B) maintains suitable employment for at least 12 consecutive months immediately following completion of the training program; and
 - (C) receives related instructional training to learn a skill in a recognized apprenticeable occupation that advances his or her skills to a credentialed, performance-verified mid-level status in the occupation, as identified by the Agency.
- (5) Recognized Occupation--An apprenticeable occupation that:

- (A) is customarily learned in a practical way through a structured, systematic program of on-the-job supervised training;
 - (B) is clearly identified and commonly recognized throughout an industry;
 - (C) involves manual, mechanical, or technical skills or knowledge which requires significant on-the-job work experience; and
 - (D) requires related instruction to supplement the on-the-job training.
- (6) TIRA Application and Implementation Guide--The guide that supports this chapter by providing all required operational details and procedures for the recognizing occupations process, certifying process, application submission, and performance reporting. The current guide may be accessed on the Agency's website.

SUBCHAPTER B. GRANT PROGRAM

§838.12. Notice of Grant Availability and Application.

- (a) From time to time, the Agency may publish a Notice of Availability (NOA) of grant funds under this chapter. The notice shall be published on the Agency's website, along with the TIRA Application and Implementation Guide and links to Agency-approved apprenticeable occupations. In addition to the respective purpose for each grant program under this chapter, the notice may include:
- (1) the total amount of grant funds available for the award;
 - (2) the geographical workforce areas that are eligible;
 - (3) the specific industries or occupations targeted;
 - (4) the maximum number of grants to be awarded;
 - (5) the special populations to be served;
 - (6) the application process and requirements; and
 - (7) any other grant requirements necessary and appropriate for awarding grants in addition to those set forth in this chapter.
- (b) To be eligible for a grant award, an applicant meeting the eligibility criteria identified in the NOA shall submit an application to the Agency in the form and manner as prescribed in subsection (d) of this section.

- (1) The Agency's executive director, or designee, shall evaluate each application, considering the requirements and purpose of the NOA for which the application is submitted, the financial stability of the private sector employer, the regional economic impact, and any other factors the Agency determines appropriate.
 - (2) If the Agency determines that an application is appropriate for funding, the executive director or designee shall enter into a contract with the grant recipient on behalf of the Agency.
 - (3) Any applicants currently on corrective action pursuant to Chapter 802, Subchapter G of this title (relating to Corrective Actions), or not meeting any requirements of this chapter, shall not be eligible to receive a grant.
 - (4) The Agency will consider past performance of TIRAs in determining eligibility for funding.
- (c) The Agency may request additional information at any time before the grant award in order to effectively evaluate any application.
- (d) Form and manner of application:
- (1) Applications shall be in writing and contain the following information:
 - (A) The number of proposed jobs created, and retention plans to meet the requirements of §838.21(a)(1) of this chapter;
 - (B) A brief outline of the proposed project, including the skills acquired through training and the employer's involvement in the planning and design;
 - (C) A brief description of the measurable training objectives aligned with §838.22 of this chapter;
 - (D) The occupation and wages for participants who complete the project as set forth in §838.22(3) of this chapter;
 - (E) A budget summary, disclosing anticipated project costs and resource contributions, including the dollar amount the private partner is willing to commit to the project;
 - (F) A signed agreement between all partners that outlines each entity's roles and responsibilities if a grant is awarded;

- (G) A statement explaining the basis for the determination by the TIRA that the application meets the requirements of the NOA applied for and identifying the targeted actual or projected labor shortages in the occupation in which the proposed training project will be provided;
 - (H) A statement identifying that the proposed cost of training included in the application is consistent with costs recorded on the Eligible Training Provider List (ETPL), as defined in Chapter 840, Subchapter A of this title (relating to General Provisions), if the applicant's program(s) are included on the ETPL;
 - (I) A statement describing the eligible applicant's equal employment opportunity policy;
 - (J) A list of the proposed employment benefits;
 - (K) A statement, supported by adequate documentation, establishing that the applicant's proposed training program is a TIRA as defined by §838.2(3) of this chapter; and
 - (L) Any additional information contained in §838.13 of this chapter and deemed necessary by the Agency to complete an evaluation of an application.
- (2) Applications shall disclose other grant funds sought or awarded from the Agency or other state and federal sources for the project proposed in the application.
 - (3) Applicants shall submit their application to the Agency's executive director or designee as specified in the NOA for which the applicant is applying.
 - (4) An applicant may, with the approval of the executive director or designee, submit an application for funding that does not contain or identify all of the required elements under paragraph (1) of this subsection. The release of any funding is contingent upon the applicant's submission, and the Agency's approval, of all the required elements in this subsection.

SUBCHAPTER C. PROGRAM ADMINISTRATION

§838.21. Texas Industry-Recognized Apprenticeship Grants.

- (a) Grants received under this subchapter may:

- (1) reimburse an eligible grant recipient for costs incurred while training a participant who:
 - (A) while employed, completes a training program operated by the grant recipient and achieves the required skill level set forth in Texas Labor Code, §302.255(4)(D); and
 - (B) completes all employment requirements for the 12 consecutive months immediately following completion of the training program;
 - (2) be awarded on a TIRA-participant basis; and
 - (3) not exceed the lesser of:
 - (A) the total cost for training the participant, excluding wages and benefits; or
 - (B) \$10,000.
- (b) In awarding a grant under this subchapter, the Agency may consider:
- (1) the anticipated economic value to the state upon participants' program completion;
 - (2) the increased tax revenue generated by participants' wages; and
 - (3) the decrease in participants' use of state-funded benefits, attributable to the participants' job placements and earning projections.
- (c) An eligible grant recipient may request milestone reimbursements as participants achieve training milestones, in the amounts specified in the grant agreement. The grant recipient must repay any milestone reimbursements received for any participant who does not complete the training program, including employment requirements, in a manner specified in the grant agreement.

§838.24. Performance

The Agency shall:

- (1) develop performance metrics, including completion rates and retention outcomes, for industry-recognized apprenticeship program participants trained or employed by a grant recipient;
- (2) develop timelines for performance metric data reporting; and

- (3) annually post aggregated performance metric data reported by grantees on the Agency's website.