

CHAPTER 838. TEXAS INDUSTRY-RECOGNIZED APPRENTICESHIP GRANT PROGRAM

PROPOSED 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 FEBRUARY 3, 2026, THE TEXAS WORKFORCE COMMISSION PROPOSED THE RULES BELOW WITH PREAMBLE TO BE SUBMITTED TO THE *TEXAS REGISTER*.

Estimated Publication Date of the Proposal in the *Texas Register*: **February 20, 2026**
Estimated End of Comment Period: **March 23, 2026**

The Texas Workforce Commission (TWC) proposes 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

PART I. PURPOSE, BACKGROUND, AND AUTHORITY

The purpose of the proposed 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 proposes 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 proposes 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 as new §838.12(b)(4) the text of existing §838.24(2) relating to performance as a factor in determining funding eligibility.

SUBCHAPTER C. PROGRAM ADMINISTRATION

TWC proposes 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. IMPACT STATEMENTS

Chris Nelson, Chief Financial Officer, has determined that for each year of the first five years the rules will be in effect, the following statements will apply:

There are no additional estimated costs to the state and to local governments expected as a result of enforcing or administering the rules.

There are no estimated cost reductions to the state and to local governments as a result of enforcing or administering the rules.

There are no estimated losses or increases in revenue to the state or to local governments as a result of enforcing or administering the rules.

There are no foreseeable implications relating to costs or revenue of the state or local governments as a result of enforcing or administering the rules.

There are no anticipated economic costs to individuals required to comply with the rules.

There is no anticipated adverse economic impact on small businesses, microbusinesses, or rural communities as a result of enforcing or administering the rules.

Based on the analyses required by Texas Government Code, §2001.024, TWC has determined that the requirement to repeal or amend a rule, as required by Texas Government Code, §2001.0045, does not apply to this rulemaking.

Takings Impact Assessment

Under Texas Government Code, §2007.002(5), "taking" means a governmental action that affects private real property, in whole or in part or temporarily or permanently, in a manner that requires the governmental entity to compensate the private real property owner as provided by the Fifth and Fourteenth Amendments to the US Constitution or the Texas Constitution, §17 or §19, Article I, or restricts or limits the owner's right to the property that would otherwise exist in the absence of the governmental action, and is the producing cause of a reduction of at least 25 percent in the market value of the affected private real property, determined by comparing the market value of the property as if the governmental action is not in effect and the market value of the property determined as if the governmental action is in effect. TWC completed a Takings Impact Assessment for the proposed rulemaking action under Texas Government Code, §2007.043. The primary purpose of this proposed rulemaking action, as discussed elsewhere in this preamble, is to implement HB 3260, thereby enabling TWC to respond better to workforce needs by more efficiently using the TIRA program and encouraging employers to participate in growing the state's skilled workforce.

The proposed rulemaking action will not create any additional burden on private real property or affect private real property in a manner that would require compensation to private real property owners under the US Constitution or the Texas Constitution. The proposal also will not affect private real property in a manner that restricts or limits an owner's right to the property that would otherwise exist in the absence of the governmental action. Therefore, the proposed rulemaking will not cause a taking under Texas Government Code, Chapter 2007.

Government Growth Impact Statement

TWC has determined that during the first five years the rules will be in effect, they:

- will not create or eliminate a government program;
- will not require the creation or elimination of employee positions;
- will not require an increase or decrease in future legislative appropriations to TWC;
- will not require an increase or decrease in fees paid to TWC;
- will not create a new regulation;
- will not expand, limit, or eliminate an existing regulation;
- will not change the number of individuals subject to the rules; and
- will not positively or adversely affect the state's economy.

Economic Impact Statement and Regulatory Flexibility Analysis

TWC has determined that the rules will not have an adverse economic impact on small businesses or rural communities, as the proposed rules place no requirements on small businesses or rural communities.

Mariana Vega, Director, Labor Market Information, has determined that there is not a significant negative impact upon employment conditions in the state as a result of the rules.

Mary York, Director, Workforce Development Division, has determined that for each year of the first five years the rules are in effect, the public benefit anticipated as a result of enforcing the proposed rules will be to expand apprenticeship programs to include occupations and industries as determined by Texas' workforce needs and also to include an outcome-based funding model.

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

PART IV. COORDINATION ACTIVITIES

This rulemaking implements statutory provisions as described in this proposed rule document. The public will have an opportunity to comment on the proposed rule changes as set forth below.

PART V. REQUEST FOR IMPACT INFORMATION

TWC requests, from any person required to comply with the proposed rule or any other interested person, information related to the cost, benefit, or effect of the proposed rule,

including any applicable data, research, or analysis. Please submit the requested information to TWCPolicyComments@twc.texas.gov no later than March 23, 2026.

PART VI. PUBLIC COMMENTS

Comments on the proposed rules may be submitted to TWCPolicyComments@twc.texas.gov and must be received no later than March 23, 2026.

PART VII. STATUTORY AUTHORITY

The rules are proposed 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)(B) guarantees employment to participants during and upon successful completion of the training period;

(D)(C) 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 ~~the impacted local workforce development area's (workforce area) Tri-Agency~~ self-sufficiency wage as defined by Texas Government Code, §2308A.012;

(E)(D) 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)(E) has a duration of no longer than 26 weeks; and

(G)(F) 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 ~~certified 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 ~~be used to~~:

- (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 ~~maintains suitable~~ employment requirements for the~~for at least~~ 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~~may:

- (1) develop performance metrics, including completion rates and retention outcomes, for industry-recognized apprenticeship program participants trained or employed by a grant recipient~~develop and adopt annual performance measures and targets for TIRAs;~~

- | (2) develop timelines for performance metric data reporting; and
- | (3) annually post aggregated performance metric data reported by grantees
on the Agency's website.
- | (2) ~~consider past performance of TIRAs in determining eligibility for~~
~~funding.~~