

1 **Fiscal Year 2021 Planning Estimates for Apprenticeship Training Programs**
2 **Discussion Paper**

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4 **Background**

5 Texas Education Code (TEC) §133.006 requires that the Texas Workforce Commission (TWC)
6 adopt forms, formulas, and administrative procedures for distributing available funds to
7 apprenticeship training programs. Additionally, TWC Apprenticeship Training Program rule
8 §837.21 states that after TWC receives recommendations from the Texas Workforce Investment
9 Council (TWIC), TWC is required to provide public notice of the amount of funds that will be
10 available to support apprenticeship training programs.

11 In March 2020, TWIC made the following recommendations to TWC regarding Fiscal Year
12 2021 (FY'21) funding for apprenticeship training programs:

- 13 • A contact-hour rate not to exceed \$4.25
- 14 • A 5 percent reserve fund for new programs or established programs not currently receiving
15 funds

16 TWC has exceeded the Legislative Budget Board (LBB) Apprenticeship Training performance
17 measures from FY'08 through FY'19, even as the LBB performance measure increased the
18 number of individuals served from 3,600 to 6,111 in FY'16. In FY'20, TWC's LBB
19 Apprenticeship Training performance measure increased from 6,111 to 7,150 individuals served,
20 as established with the approval of the legislative appropriation request by TWC's three-member
21 Commission (Commission) for a total of \$1,345,000 for the FY'20/FY'21 biennium. For FY'21,
22 TWC's LBB Apprenticeship Training performance measure increases to 7,685 individuals
23 served.

24 Under §837.25, funds for apprenticeship training classes are distributed based on the following
25 types of instruction, listed in order of priority, unless otherwise determined by the Commission:

- 26 1. Related instruction or apprenticeship
- 27 2. Supplementary instruction or journeyworker experience
- 28 3. Preparatory instruction or pre-apprenticeship training

29 During FY'20, Chapter 133 funding supported 6,865 apprentices. The FY'20 final contact-hour
30 rate is \$4.00. Since FY'10, TWC has supported Chapter 133 Registered Apprenticeship training
31 programs with Workforce Investment Act/Workforce Innovation and Opportunity Act (WIOA)
32 funds and continues to leverage Noncustodial Parent Temporary Assistance for Needy Families
33 funds as appropriate. With TWC securing additional funding to expand Registered
34 Apprenticeship in Texas—which supports one of the state's goals to develop a more highly
35 skilled workforce—for FY'20, TWC will include the US Department of Labor Apprenticeship
36 Expansion Grant-funded apprentices trained in TWC's LBB Apprenticeship Training
37 performance measure for individuals served.

38 FY'19 program changes aligning TWC's rules with the passage of House Bill 2790 allowed a
39 Registered Apprenticeship training program's apprenticeship committee to apply directly for
40 Chapter 133 funding, without partnering with a local education agency (LEA). In FY'20, 10
41 apprenticeship committees applied for Chapter 133 funding. Of the 10 that applied, three
42 withdrew from participation due to start-up delays (new Registered Apprenticeship programs),

1 and six were apprenticeship committees that had received Chapter 133 funding in the previous
2 year through an LEA. FY'20 Chapter 133 funding supported seven apprenticeship committees.

3 TWC estimates that under Chapter 133, a total of \$5,382,785 (which includes \$3,732,785 in
4 General Revenue and \$1,650,000 in WIOA funds) will be available for Registered
5 Apprenticeship training programs, pending approval of the FY'21 operating budget.

6 To maximize awareness of this funding opportunity and the change in eligible applicants, TWC
7 will continue to outreach both LEAs and apprenticeship committees of Registered
8 Apprenticeship training programs to inform them about the financial support available through
9 TWC.

10 **Decision Point**

11 Staff seeks direction on the following:

- 12 • A planning estimate of \$3,732,785 in General Revenue and \$1,650,000 in WIOA funds for
13 FY'21 Registered Apprenticeship funds, contingent on adoption of TWC's FY'21 operating
14 budget
- 15 • An FY'21 contact-hour rate not to exceed \$4.25
- 16 • A 5 percent reserve of planning estimate funds for new or established Registered
17 Apprenticeship training programs that did not receive Chapter 133 funds in FY'20