Funding for Texas Education Code Chapter 133 Apprenticeship Training Program Discussion Paper

Background

Texas Education Code (TEC) Chapter 133, Apprenticeship System of Adult Career and Technology Education, establishes the Apprenticeship Training Program (ATP) and the criteria by which the Texas Workforce Commission's (TWC) three-member Commission (Commission) may award state funding to support instruction provided to pre-apprentices, apprentices, and journey workers.

In preparation for each fiscal year (FY), the Commission, acting upon recommendations from the Texas Workforce Investment Council, sets aside funding for the support of related technical instruction for apprentices.

Program funding originally began as state funding only. However, the steady growth of the program in number of employers participating and in the number of apprentices served prompted the Commission to identify other funding, when available, to maintain a consistent contact hour rate (CHR).

Issues

At its July 2, 2024, and July 16, 2024, meetings, the Commission approved use of Workforce Innovation and Opportunity Act Statewide, U.S. Department of Labor Expansion Grant, and Texas Industry-Recognized Apprenticeship Grant Program funds for a total of $2,088,527 to supplement the Chapter 133 ATP CHR for FY 2025.

In preparation for these meetings, staff estimated growth in numbers of apprentices and contact hours using trends from previous program years and made supplemental funding recommendations based on those trends.

In addition, total FY 2025 numbers (apprentices to be served and contact hours) were not available at the time of Commission action. After receipt and processing of FY 2025 applications, the numbers confirmed that:

- the program is experiencing growth at a rate that exceeds previous trends and
- the supplemental funding approved in July would need to be further supplemented if the Commission wanted to maintain a consistent CHR.

Decision Point

Because Pre-Apprenticeship funding and Chapter 133 ATP funding are appropriated within budget strategy B.1.2 Apprenticeship in the General Appropriations Act (HB 1, 88th Legislative Session, Regular) and no formal budget modification under Article IX of the GAA is required, staff recommend the Commission approve the use of approximately $1,529,436 in Pre-Apprenticeship funding to supplement the Chapter 133 ATP CHR for FY 2025.