

1 **Texas Education Code Chapter 133 Apprenticeship Training Program**
2 **Discussion Paper**

3 **Background**

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

8 Historically, the Commission, acting upon recommendations from the Texas Workforce Investment
9 Council (TWIC), has set aside funding for the support of related technical instruction (RTI) for
10 apprentices. Funding originally began as state funding only, but with the growth of the program and the
11 desire to achieve and maintain a substantive contact hour rate (CHR), the Commission began to
12 supplement funding with federal funds such as those awarded through the Workforce Innovation and
13 Opportunity Act, the Temporary Assistance for Needy Families Non-Custodial Parent program, and, as
14 recently as February 2024, a Department of Labor Apprenticeship Expansion grant.

15 Anticipating continued growth of the Chapter 133 ATP, the Commission adopted performance measures
16 at the August 22, 2023, Commission meeting. As noted in the discussion paper, the performance measures
17 can be used to “. . . calculate the performance and success of programs and to determine eligibility
18 beginning Fiscal Year 2025 (September 1, 2024—August 31, 2025).”

19 **Issues**

20 Because of the steady growth of the Chapter 133 ATP, it is challenging to maintain a substantive CHR.
21 Staff has explored the current state of the Chapter 133 ATP and has identified the following issues with
22 funding the program:

- 23 • While the Chapter 133 ATP continues to grow, appropriated state funding remains steady. The
24 Commission continues to supplement funding with federal funds. There is a reasonable concern that
25 this funding model—state funds supplemented by available federal funds—is not sustainable.
- 26 • The contracting process, as described in [TWC Chapter 837 Apprenticeship Training Program rules, Subchapter B](#),
27 is complex and requires at least one amendment per awardee as participant numbers
28 are finalized. The process should be simplified to reduce administrative tasks for all stakeholders.
- 29 • The adoption of performance measures marks a departure from the previous management of the
30 program. Rather than awards being made to all eligible programs, the measures will allow the
31 Commission to prioritize awards to top-performing programs. A preliminary look at Chapter 133 data
32 confirm awards can be prioritized according to advancement rate, pay raise rate, and wage stability
33 after program exit.

34 **Decision Points**

35 Staff seeks direction on the following recommendations to sustain the Chapter 133 ATP for future years:

- 36 • Allow the CHR to decrease as the program grows in numbers of apprentices served
37 • Request additional state funding to sustain an approximate \$4 CHR
38 • Move to a competitive procurement process (for example, publish a request for application)
39 • Limit the number of Chapter 133 contracts by using performance data to prioritize awards (that is,
40 award contracts to the highest performing programs)