

1 **Public Sector Healthcare Employers and their Participation**
2 **in the Chapter 133 Apprenticeship Training Program and the Skills Development Fund**
3 **Discussion Paper**

4 **Background**

5 At the April 26, 2022, meeting the Commission requested staff to create a plan to address the
6 following:

- 7 • Potential limitations on the eligibility of public sector healthcare employers and their
8 employees for inclusion in TWC programs, and
- 9 • Steps the Commission would need to take to eliminate barriers to their participation.

10 Potential limitations and steps to be taken in two TWC programs are outlined below.

11 **Chapter 133 Apprenticeship Training Program**

12 At the May 24, 2022, meeting, the Texas Workforce Commission’s (TWC’s) three-member
13 Commission approved the FY23 Fiscal Year 2023 Planning Estimates for Apprenticeship
14 Training Programs as detailed in Texas Education Code (TEC) Chapter 133.

15 Subsequent to approval, the Commission noted that 40 Texas Administrative Code (TAC)
16 §837.2(2), Apprenticeship Training Program, defines “apprentice” as follows:

17 (2) Apprentice--A full-time paid worker, at least 16 years of age except where a higher
18 minimum age standard is otherwise fixed by law, who is employed in the private sector,
19 registered with the US Department of Labor (DOL) Office of Apprenticeship, and
20 receives related instruction training to learn a skill in a certified apprenticeable
21 occupation.

22 In recognition that the definition limits apprentices to those employed in the private sector, the
23 Commission directed staff to explore options in suspending 40 TAC §837.2(2) in order to
24 include apprentices in healthcare occupations—as identified under the DOL Standard
25 Occupations Classification System and listed by DOL Office of Apprenticeship as an
26 apprenticeable occupation—employed by public sector healthcare employers in the FY23
27 Apprenticeship Training Program.

28 **Skills Development Fund**

29 The Skills Development Fund (SDF) statute, Texas Labor Code §303, does not explicitly
30 prohibit training for publicly funded employers. However, the SDF rules (40 TAC, §803) include
31 multiple references to training projects for a private business, sometimes referenced as a private
32 partner or a business consortium. There is no specific mention of public employers; therefore, the
33 applicable sections of the SDF rule must be suspended for public entities to be eligible for SDF
34 funds.

35 40 TAC §803.32 allows the Executive Director to suspend or waive portions of the SDF rules.
36 Should TWC choose to pilot an initiative using SDF for public sector healthcare occupations,
37 staff have identified the sections of the program rules that need to be suspended to allow for
38 public employers and can prepare the necessary suspension for execution by the Executive
39 Director for immediate implementation.

40 **Decision Points**

41 Staff recommends the following:

- 42 • Suspension of 40 TAC §837.2(2) rule as allowed in 40 TAC §800.8;
- 43 • Inclusion of apprentices in healthcare occupations employed by public sector healthcare
- 44 employers for the FY23 Apprenticeship Training Program;
- 45 • Suspension of language in 40 TAC §803 rules by the Executive Director, to allow SDF
- 46 services to support training healthcare occupations for public sector employers; and
- 47 • Making up to \$5 million in FY 2022-2023 SDF funds available to public sector
- 48 healthcare employers.

49 This short-term suspension is intended to study the outcomes and impacts of working with public
50 sector healthcare employers and their employees. Staff will bring forward a report on the
51 outcomes and impacts at the end of the program year.