Comments to the Texas Workforce Commission in support of Proposed Amendments to TAC 838, Texas Industry Recognized Apprenticeships Program

Submitted by Jorge Borrego & Erin Valdez, Texas Public Policy Foundation

In our modern economy, postsecondary training is more important than ever—and that includes apprenticeships.

It is estimated that by 2036, approximately 70% of occupations will require some form of postsecondary training. Unfortunately, according to the Texas Higher Education Coordinating Board, only 48% of Texans 25-34 and 46% of adults 35-64 had attained a postsecondary credential—this is well short of the 60% by 2030 goal set by the Coordinating Board's Building a Talent Strong Texas plan. Postsecondary training can take many forms, from a traditional four-year degree to an occupational license. Increasingly, many students have been turning away from traditional higher educational programs in favor of a career and technical education (CTE) program. Many factors have contributed to this trend, but chief among them has been the rising cost of higher education and decreasing faith that these institutions can provide students with economic mobility.

Apprenticeships are a big part of this trend; they offer a pathway to high-wage occupations while allowing students to earn while they learn.

Apprenticeships have long been a feature of workforce development programs in America. They have bridged the gap between theoretical knowledge and practical application, enabling generations of workers to master their trades. In Texas—with its diverse and growing industries—earn-while-you-learn programs are uniquely poised to benefit workers and employers alike.

Unfortunately, there is not a sufficient supply of Registered Apprenticeship Programs that align with the high-wage, high-demand occupations needed to meet the workforce demands of the Lone Star State. There are approximately five job openings for every active registered apprentice in the construction field in Texas; 75 openings for every health care apprentice; and a staggering 514 openings for every transportation apprentice. These are statewide aggregates of apprentices and job openings. Examining closer to observe regional workforce gaps, we found that several areas of the state had starkly higher workforce gaps—approximately 72% of Texas counties do not have a single registered apprentice within their borders.

While this gap is striking in and of itself, it is reflective of the gap between *active* apprentices and job openings. When we compare industry demand with the number of apprenticeship *completers*, we find an even wider chasm. The U.S. Department of Labor <u>reported</u> that in 2022, there were 3,484 apprenticeship completers in Texas. The programs with the most completers were construction with 1,668; Healthcare and Social Science with 873; and IT with 17. This explains why it is estimated that Texas will lack approximately 67,000 health care professionals (average salary: \$54,992), 26,000 construction tradespersons (average salary: \$49,501), and 17,000 IT professionals (average salary: \$47,464) by 2030. Our state's current Registered Apprenticeship framework is simply not meeting our workforce needs.

The lack of available programs deprives thousands of Texans of the opportunity to enter a high-wage occupation without the high debt that burdens many graduates of traditional four-year programs. It also deprives employers of desperately needed skilled workers.

More pathways are needed and as a result, we strongly support the rules changes proposed by the Texas Workforce Commission to Title 40 of the Texas Administrative Code, Chapter 838, to remove references to the federal Registered Apprenticeship Program and establish the criteria and application process for entities to participate in the Texas Industry Recognized Apprenticeship Program.

By removing the references to the Department of Labor, the new rules would grant Texas employers the flexibility to meet the dynamic demands of our economy. Further, the removal of the Department of Labor regulations will empower our state's employers to create high-quality apprenticeships without requiring them to adopt standards that do not align with the unique features of their businesses.

The foundation that the Texas Workforce Commission seeks to establish through rule changes to the Texas Industry Recognized Apprenticeship Program will increase the supply of high-quality pathways to family-supporting occupations, allow businesses in Texas to grow, and attract even more employers to our great state.

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