2026 Healthcare Workforce Apprenticeship Program Summary Report

As Required by

the 2026-2027 General Appropriations

Act, Article II, DSHS, Rider 36

October 2026

TEXAS
Health and Human Services

Texas Department of
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Introduction

The 2026-2027 General Appropriations Act, Article II, Department of State Health Services (DSHS), Rider 36, directs DSHS to establish the Healthcare Workforce Apprenticeship Program and provide grants to hospitals to develop and implement on-site healthcare workforce apprenticeship programs. Eligible hospitals must qualify for Disproportionate Share Hospital (DSH) payments from the Centers for Medicare and Medicaid Services. The rider appropriated $500,000 General Revenue each year of the fiscal year (FY) 2026-2027 biennium. It also requires a summary report identifying hospitals, the amount awarded to each hospital, the number of apprentices, and the specialty area of each apprentice to be posted on the agency's website no later than October 1, 2026.

DSHS executed an interagency contract with the Texas Workforce Commission (TWC) on January 13, 2026, to incorporate Rider 36 appropriations into the existing TWC healthcare apprenticeship framework to ensure continuity of services, reduce duplication of effort, and enable timely grantmaking to DSH-eligible hospitals. The DSH designation is granted to hospitals that serve a disproportionately large number of Medicaid and low-income patients.[1] This report summarizes the Healthcare Workforce Apprenticeship Program outcomes from the contract's effective date of January 13, 2026, through July 16, 2026.

[1] Texas Health and Human Services Commission, Provider Finance Department. (n.d.). Disproportionate share hospitals. pfd.hhs.texas.gov/hospitals-clinic/hospital-services/disproportionate-share-hospitals

Background

Texas, like much of the nation, continues to face workforce shortages in critical healthcare occupations.[2,3,4] These shortages affect the capacity of healthcare systems to meet community needs, particularly in rural and underserved areas.[2,5] Apprenticeship programs have been identified as an effective strategy for building workforce capacity by combining paid, on-the-job training with related instruction, enabling participants to earn while they learn.[6,7]

TWC supports apprenticeship initiatives for multiple industries to strengthen workforce development, provide individuals with valuable skills, and assist employers in cultivating a highly trained workforce. In 2022, TWC used federal Workforce Innovation and Opportunity Act (WIOA) funding to launch a statewide registered healthcare apprenticeship initiative to increase the number of career pathways for registered nurses (RNs) and other critical disciplines. Funds can be used to support the apprenticeship registration, costs related to curricula development, related instruction or training for apprentices (in-person, online, or hybrid), books and training materials for apprentices, instructor costs, mentor activities, and paid clinicals for registered healthcare apprentices.

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[2] Texas Workforce Commission. (2024). *Support for healthcare occupations*. www.twc.texas.gov/sites/default/files/ogc/mtg24/commission-meeting-material-052124-item14-dp-support-healthcare-occupations-twc.pdf

[3] Warne, A. (2024). *Solving healthcare shortages: Partnership model*. Texas Workforce Commission. www.twc.texas.gov/sites/default/files/wf/docs/830-Session330-TWC-Forum-2024-Final-04.16.2024v.2-AWarne.pdf

[4] Health Resources and Services Administration. (n.d.). *Health workforce shortage areas dashboard*. U.S. Department of Health and Human Services. data.hrsa.gov/topics/health-workforce/shortage-areas/dashboard

[5] Texas Healthcare Workforce Task Force. (2024). *Building Texas' future healthcare workforce*. Office of the Texas Governor. gov.texas.gov/uploads/files/press/2024.10.01_-_Healthcare_Workforce_Report_FINAL_v4_.pdf

[6] Texas Workforce Commission. (2025). *TWC's ApprenticeshipTexas program helps Moore County Hospital solve critical nursing shortage*. www.twc.texas.gov/news/twcs-apprenticeshiptexas-program-helps-moore-county-hospital-solve-critical-nursing-shortage

[7] U.S. Department of Labor, Employment and Training Administration. (n.d.). *Registered apprenticeship evidence*. www.dol.gov/agencies/eta/research/Registered-Apprenticeship-Evidence

Awardees

TWC granted awards to two DSH-eligible hospitals in FY 2026: United Regional Health Care System and Baptist St. Anthony's Hospital. Rider 36 funding was augmented with federal WIOA funds to fulfill the proposal from each hospital. The awards supported a combined total of 116 apprenticeships designed to prepare individuals for RN careers.

United Regional Health Care System

United Regional Health Care System in Wichita Falls, Texas, was awarded a total of $336,000.00 to support 56 RN apprenticeships, sourced as follows:

- **General Revenue**: $250,000.00
- **Federal WIOA**: $86,000.00

Baptist St. Anthony's Hospital

Baptist St. Anthony's Hospital in Amarillo, Texas, was awarded a total of $342,264.00 to support 60 RN apprenticeships, sourced as follows:

- **General Revenue**: $250,000.00
- **Federal WIOA**: $92,264.00

Conclusion

The Healthcare Workforce Apprenticeship Program reflects a coordinated approach to supporting the development of healthcare workforce capacity in Texas through hospital-based apprenticeship opportunities. During the reporting period, DSHS, in partnership with TWC, awarded grants to DSH-eligible hospitals to support establishment and implementation of apprenticeship programs.

Two hospitals participated in FY 2026, receiving $500,000 in General Revenue and $178,264 in supplemental federal funding. These efforts opened a total of 116 apprenticeship opportunities for occupational pathways leading to RN credentials. DSHS will continue to collaborate with TWC to administer the program in accordance with Rider 36 until August 31, 2027, or until appropriated funds are exhausted. TWC will promote the next round of funding in the first quarter of FY 2027 and issue grants as eligible applications are received. FY 2026 recipients will not be eligible for additional FY 2027 Rider 36 funding.