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SYNOPSIS:

This bill would establish the Talent Readiness and Industry Needs (TRAIN) Act to authorize businesses to partner with eligible educational institutions to provide career and technical education instruction.

This bill would incentivize employers to loan qualified employees to serve as instructors in career and technical education programs by creating a tax credit to offset their income, financial institution excise, and utility tax liability.

This bill would establish a workforce teaching certificate and a streamlined process for qualified employees to obtain a certificate to teach a designated career and technical education program at an eligible educational institution.

A BILL  
TO BE ENTITLED  
AN ACT

Relating to career and technical education; to enact the Talent Readiness and Industry Needs (TRAIN) Act; to authorize businesses to partner with eligible educational



29 institutions to provide career and technical education  
30 instruction to students; to provide state income, financial  
31 institution excise, and utility tax credits to employers that  
32 loan qualified employees to serve as instructors in career and  
33 technical education programs at eligible educational  
34 institutions; and to establish a workforce teaching  
35 certificate and a streamlined process for qualified employees  
36 to obtain a certificate to teach a designated career and  
37 technical education program at an eligible educational  
38 institution.

39 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

40 Section 1. This act shall be known and may be cited as  
41 the Talent Readiness and Industry Needs (TRAIN) Act.

42 Section 2. The Legislature finds that Career and  
43 Technical Education (CTE) plays a vital role in preparing  
44 students for in-demand careers across a range of industries  
45 including manufacturing, information technology, construction,  
46 and skilled trades. Many school districts across the state  
47 face challenges in recruiting and retaining qualified CTE  
48 instructors due to certification barriers, regional shortages,  
49 and competition with private-sector wages. The involvement of  
50 current industry professionals in the classroom could provide  
51 students with direct exposure to up-to-date, real-world  
52 knowledge and practices, thereby improving educational  
53 outcomes and workforce readiness. The Legislature also finds  
54 that public-private partnerships between schools and industry  
55 are essential to closing the skills gap and ensuring that  
56 education aligns with the evolving needs of the economy. The



57 TRAIN Act would provide an opportunity for the private sector  
58 to partner with eligible educational institutions to provide  
59 CTE instruction to students and provide for industry  
60 professionals to obtain CTE certification. Therefore, it is  
61 the intent of the Legislature to establish a targeted income  
62 tax credit to incentivize employers to loan qualified  
63 employees to serve as instructors in CTE programs at eligible  
64 educational institutions in order to promote workforce  
65 development and economic growth.

66 Section 3. For the purposes of this act, the following  
67 terms have the following meanings:

68 (1) ALABAMA COMMUNITY COLLEGE. Any public two-year  
69 institution of higher education under the control of the Board  
70 of Trustees of the Alabama Community College System.

71 (2) DEPARTMENT. The State Department of Education.

72 (3) DESIGNATED CTE PROGRAM. A career and technical  
73 education program for grade 9 or higher at an eligible  
74 educational institution in a high-demand sector. The  
75 high-demand sectors eligible for this designation shall be  
76 reviewed and approved annually by the Executive Committee of  
77 the Alabama Workforce Board, which shall provide notice to the  
78 Department of Workforce and the department regarding its  
79 approval or denial by March 31 of each year to be eligible for  
80 the next academic year.

81 (4) ELIGIBLE EDUCATIONAL INSTITUTION. An Alabama  
82 community college, local education agency, or a public high  
83 school.

84 (5) EMPLOYER. A corporation, partnership, limited



85 liability company, or other business entity registered to do  
86 business in this state and in good standing with the  
87 Department of Revenue.

88 (6) PUBLIC HIGH SCHOOL. A public secondary school  
89 operated by a local education agency in this state that  
90 provides instruction in any grade from 9 through 12 that  
91 offers an approved career and technical education program as  
92 recognized by the department.

93 (7) QUALIFIED EMPLOYEE. An individual employed by an  
94 employer who:

95 a. Possesses a Bachelor's degree or other certification  
96 or experience or combination thereof equivalent to those  
97 accepted by the department;

98 b. Has not less than three years of occupational  
99 experience or appropriate industry-recognized certification in  
100 a relevant field corresponding to a designated CTE program;

101 c. Has a history of positive performance reviews from  
102 his or her employer; and

103 d. Has successfully passed a criminal history  
104 background check and meets any other screening requirements of  
105 the eligible educational institution.

106 A qualified employee will not be a public employee or a  
107 loaned employee for purposes of the Alabama Ethics Act.

108 (8) SALARY. The actual wages or compensation paid by an  
109 employer to a qualified employee during a teaching assignment.

110 (9) TEACHING ASSIGNMENT. The agreed-upon period during  
111 which a qualified employee is loaned by an employer to an  
112 eligible educational institution to serve as an instructor in



113 a designated CTE program, provided that the assignment shall  
114 consist of weekly in-person attendance at the school and no  
115 less than 300 hours of direct instruction to students within  
116 an academic year or another minimum time requirement  
117 established by the department.

118 (10) WORKFORCE TEACHING CERTIFICATE. A temporary  
119 teaching certificate issued to a qualified employee that  
120 authorizes the employee to teach a designated CTE program at  
121 an eligible educational institution and may be treated as a  
122 renewable certificate by the department.

123 Section 4. Creation of the TRAIN Credit; Eligibility.

124 (a) There is hereby created a tax credit that an  
125 employer may apply against any of the following:

126 (1) To offset the income taxes levied in Chapter 18 of  
127 Title 40, Code of Alabama 1975.

128 (2) To offset the state portion of the financial  
129 institution excise tax levied in Chapter 16 of Title 40, Code  
130 of Alabama 1975.

131 (3) To offset state license taxes levied by Article 2,  
132 Chapter 21 of Title 40, Code of Alabama 1975.

133 (b) The amount of the tax credit shall equal the  
134 portion of the qualified employee's salary paid by the  
135 employer for time directly attributable to the teaching  
136 assignment in the applicable tax year, subject to the  
137 limitations provided in this section.

138 (c) Subject to the provisions of this act, an employer  
139 shall be eligible to claim a credit if it meets all of the  
140 following conditions:



141 (1) The employer enters into a memorandum of  
142 understanding (MOU) or other agreement between the eligible  
143 educational institution and the employer that outlines the  
144 conditions under which a qualified employee with a workforce  
145 teaching certificate or other teaching certificate would be  
146 authorized to participate in a teaching assignment in a  
147 designated CTE program. Each MOU or agreement between an  
148 employer and an eligible educational institution, at a  
149 minimum, shall include all of the following:

150 a. The name of the qualified employee and a description  
151 of the designated CTE program in which instruction will occur.

152 b. The duration of the teaching assignment, including  
153 total instructional hours and term or terms covered.

154 c. A statement confirming that the employer will  
155 continue to pay the qualified employee's full salary and  
156 benefits during the teaching assignment. A qualified employee  
157 is not entitled to any compensation from an eligible  
158 educational institution, but the institution may elect to  
159 compensate a qualified employee in whatever manner it deems  
160 appropriate.

161 d. A certification by the employer that the qualified  
162 employee has passed, or will pass prior to beginning the  
163 teaching assignment, all background screening requirements as  
164 required by the eligible educational institution.

165 e. The method of verifying attendance, instructional  
166 hours, and program completion for purposes of credit  
167 certification.

168 f. A provision authorizing the department to inspect



169 records and verify compliance.

170 g. A provision acknowledging that noncompliance with  
171 any of these requirements may result in recapture of the tax  
172 credit, as provided in this act.

173 h. A statement that the employer shall maintain  
174 workers' compensation and general liability coverage for the  
175 qualified employee during the teaching assignment.

176 i. A statement regarding liability for actions  
177 performed by the qualified employee in furtherance of the  
178 teaching assignment.

179 (2) The employer has received a TRAIN Act credit  
180 reservation certificate from the department for an approved  
181 agreement with an eligible educational institution.

182 (3) The employer continues to pay the qualified  
183 employee's full salary and benefits during the teaching  
184 assignment.

185 (4) The eligible educational institution provides the  
186 qualified employee with the classroom space, equipment, and  
187 other instructional materials required to conduct the teaching  
188 assignment unless otherwise agreed to in the MOU.

189 (d) To the extent that a tax credit is used by an  
190 employer, the employer shall not be allowed any deduction that  
191 would have otherwise been allowed for the employer's payment  
192 of the qualified employee's salary. Credits may only be  
193 claimed by the employer and may not be assigned or transferred  
194 to any other taxpayer, provided the credit issued to a parent  
195 or holding company may be claimed by the subsidiary, provided  
196 both parent or holding company and subsidiary are filing as



197 part of an Alabama consolidated return, as defined under  
198 Section 40-18-39, Code of Alabama 1975.

199 (e) In no event shall the credit cause an employer's  
200 tax liability to be reduced by more than 50 percent. Unused  
201 credits may be carried forward for no more than five years but  
202 shall not be transferable.

203 (f) In the event that a teaching assignment is not  
204 completed in full, the credit shall be prorated and available  
205 to the employer only for the portion of the salary paid for  
206 services actually rendered by the qualified employee and  
207 accepted by the eligible educational institution. If an  
208 agreement is terminated by the eligible educational  
209 institution, the Department of Revenue, after consultation  
210 with the department, may disallow the credit in its entirety  
211 for that tax year.

212 (g) The tax credits may be claimed beginning January 1,  
213 2027, for the 2027 tax year.

214 (h) The statewide annual aggregate of tax credits  
215 allowed under this section shall not exceed ten million  
216 dollars (\$10,000,000).

217 (i) Notwithstanding any other provision of this act,  
218 the total amount of credit that may be reserved and claimed by  
219 any single employer shall not exceed two hundred fifty  
220 thousand dollars (\$250,000) in the aggregate for all tax  
221 years. The department shall ensure that no credit reservation  
222 certificate is issued that would cause an employer to exceed  
223 this limitation.

224 Section 5. Forms; Construction of Article; Rulemaking



225 Authority.

226 (a) All findings and applications made with any  
227 department of the state government shall be made using forms  
228 adopted by the department. The filing shall be treated as a  
229 tax return, subject to penalties imposed by the Department of  
230 Revenue.

231 (b) Nothing in this article shall be construed to  
232 constitute a guarantee or assumption by the state of any debt  
233 of any company nor to authorize the credit of the state to be  
234 given, pledged, or loaned to any company.

235 (c) Nothing in this article shall be construed to make  
236 available to any taxpayer any right to the benefits conferred  
237 by this article absent strict compliance with this article.

238 (d) Nothing in this article shall be construed to limit  
239 the powers otherwise existing for the Department of Revenue to  
240 audit and assess a taxpayer claiming the credit.

241 (e) The department is authorized to work with the  
242 Department of Revenue and the Department of Workforce to adopt  
243 rules as necessary to implement and administer this article.

244 Section 6. Administration.

245 (a) The Department of Revenue may adopt rules and  
246 regulations for implementation and enforcement.

247 (b) The department shall establish a process to approve  
248 agreements, and the Department of Revenue shall allow tax  
249 credits in accordance with the following:

250 (1) Upon receipt of an executed agreement, the  
251 department shall issue a TRAIN Act credit reservation  
252 certificate to the employer.



253 (2) The certificate shall state the maximum amount of  
254 credit reserved for the employer and the corresponding  
255 teaching assignment, which may span multiple tax years.

256 (3) Tax credits reserved by certificates issued in a  
257 prior calendar year shall count against the cap for the  
258 calendar year in which the certificate was issued.

259 (4) The department shall track credit reservations by  
260 employer and shall deny or reduce any requested reservation  
261 that would cause the employer to exceed the per-employer  
262 limitation established in Section 4(i).

263 (c) The department, in consultation with the Department  
264 of Workforce and the Executive Committee of the Alabama  
265 Workforce Board, shall administer the process for approving  
266 designated CTE programs that are eligible for participation  
267 under this act, pursuant to the annual sector approvals  
268 provided in Section 3(3).

269 (d) In order to claim a tax credit, an employer must  
270 file the appropriate forms with the Department of Revenue and  
271 provide a copy of its TRAIN Act credit reservation  
272 certificate, documentation of the agreement, proof of salary  
273 payments made during the tax year for which the credit is  
274 claimed, and any other information required by the Department  
275 of Revenue.

276 (e) The department, with information from the  
277 Department of Revenue as requested, shall submit an annual  
278 report by the third legislative day of each regular session of  
279 the Legislature to the Governor, the Speaker of the House of  
280 Representatives, the President Pro Tempore of the Senate, and



281 the Legislative Fiscal Officer summarizing:

282 (1) The number of tax credits approved and claimed;

283 (2) The number of employers, qualified employees, and  
284 institutions participating;

285 (3) Geographic distribution; and

286 (4) Program outcomes.

287 (f) No later than July 1, 2031, the department shall  
288 submit to the Governor and the Legislature a report evaluating  
289 the effectiveness of the TRAIN Act, including data on  
290 participation, geographic distribution, and workforce  
291 outcomes, and shall include recommendations as to whether the  
292 program should be extended, modified, or allowed to expire.

293 Section 7. The tax credits provided in this article  
294 shall not be available for employers as described in this  
295 article, for which agreements are not approved on or prior to  
296 December 31, 2031, unless the Legislature enacts legislation  
297 to extend the date. This shall only affect the availability of  
298 credits for applications not approved on or prior to December  
299 31, 2031, and shall not cause a reduction or suspension of any  
300 credits awarded on or prior to December 31, 2031.

301 Section 8. Certification Process.

302 (a) In order to support statewide workforce development  
303 initiatives, it is necessary to establish a streamlined  
304 process by which private sector employees may teach a  
305 qualified CTE program at an eligible educational institution.

306 (b) The department, in consultation with the Department  
307 of Workforce, is authorized to adopt the rules and criteria  
308 for the establishment and issuance of a workforce teaching



309 certificate that would authorize a qualified employee to serve  
310 as a classroom teacher at an eligible educational institution  
311 while still employed and paid by a private sector employer.

312 (c) The workforce teaching certificate shall authorize  
313 a qualified employee to engage in the following:

314 (1) To accept a teaching assignment, serve as a  
315 classroom teacher, and provide direct instruction for a  
316 qualified CTE program.

317 (2) To enter grades, maintain instructional records,  
318 and perform duties customarily exercised by full-time  
319 instructors, subject to approval by an eligible educational  
320 institution.

321 (3) Other duties as determined by the eligible  
322 educational institution.

323 (d) A qualified employee may not receive a workforce  
324 teaching certificate until after he or she has successfully  
325 passed a criminal history background check and obtained  
326 clearance from the department in accordance with the  
327 requirements of Section 16-22A-5, Code of Alabama 1975.

328 (e) The department may terminate an individual's  
329 workforce teaching certificate at any time for cause. An  
330 eligible educational institution may terminate an agreement  
331 with an employer that is entered into in accordance with the  
332 requirements of this act at any time if the qualified  
333 employee:

334 (1) Has his or her workforce teaching certificate  
335 terminated;

336 (2) Does not comply with the requirements of the



337 agreement; or

338 (3) Does not conduct the teaching assignment at the  
339 expected level of performance.

340 (f) The department shall develop and administer a  
341 training program that must be taken and passed by a qualified  
342 employee prior to the issuance of a workforce teaching  
343 certificate and that individual beginning a teaching  
344 assignment. The training program shall be offered online. The  
345 training program should be limited in scope and duration, and  
346 the program's instructional time should not exceed what is  
347 reasonably necessary to conduct a teaching assignment. The  
348 training program could include the entry level occupational  
349 proficiency assessment that is approved by the department, if  
350 applicable, but it must provide targeted instruction in: (i)  
351 classroom management; (ii) basic instructional methods; (iii)  
352 student safety and legal compliance; and (iv) grading  
353 standards and assessment fundamentals.

354 (g) The department is authorized to set the term of a  
355 workforce teaching certificate and the process by which a  
356 certificate may be renewed or terminated.

357 (h) The holder of a workforce teaching certificate  
358 shall not be personally liable for acts or omissions  
359 undertaken in performance of assigned instruction or  
360 supervisory duties. This protection shall not apply to acts of  
361 willful misconduct, malicious intent, wantonness, or conduct  
362 outside the scope of authority, and shall be administered  
363 consistent with Section 16-28C-4, Code of Alabama 1975.

364 (i) Neither the department nor an eligible educational



365 institution shall be liable for any acts of the qualified  
366 employee.

367 Section 9. This act shall become effective on October  
368 1, 2026.