

ADOPTED RULES WITH PREAMBLE TO BE SUBMITTED TO THE *TEXAS REGISTER*. THIS DOCUMENT WILL NOT HAVE ANY SUBSTANTIVE CHANGES BUT IS SUBJECT TO FORMATTING CHANGES AS REQUIRED BY THE *TEXAS REGISTER*.

**TITLE 40. SOCIAL SERVICES AND ASSISTANCE
PART XX. TEXAS WORKFORCE COMMISSION
CHAPTER 835. SELF-SUFFICIENCY FUND**

The Texas Workforce Commission (Commission) adopts the repeal of Chapter 835, Subchapter A. General Provisions Regarding the Self-Sufficiency Fund, §§835.1-835.4; Subchapter B. Project Administration, §§835.11-835.15; Subchapter C. Project Administration After Award of Contract, §§835.31-835.33; and new Chapter 835, Subchapter A. General Provisions Regarding the Self-Sufficiency Fund, §§835.1-835.4 Subchapter B. Project Administration, §§835.11-835.14; and Subchapter C. Project Administration after Award of Contract, §§835.31-835.34, without changes as published in the September 13, 2002 issue of the *Texas Register* (27 TexReg 8749). The text will not be republished. New §835.15 is adopted with changes and is being republished.

The purpose of the adopted rules is to interpret and administer Texas Labor Code, Chapter 309, relating to the operation of the Self-Sufficiency Fund.

Part of the Commission's innovative system of workforce training and services throughout the State of Texas is the Self-Sufficiency Fund. One of the primary goals of the Commission is to meet the needs of Texas employers for the development of a highly skilled and productive workforce. As a part of this goal, the Commission strives to prepare, place and retain individuals in employment, and meet the needs of workers of this state for education and skills. More specifically, the Commission is directed to assist individuals in making the transition into the workforce from public assistance; thus, it is a goal for the Commission that all participants entering a customized job training project under the Self-Sufficiency Fund successfully complete the project and be self-sufficient. The 75th Legislature directed the Commission to develop a self-sufficiency program to work with employers and education organizations to provide customized job training for targeted employment of adult Temporary Assistance for Needy Families (TANF) recipients as a strategy to increase long-term success in retention of employment by those individuals. Furthermore, based on the passage of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) enacted in 1996 and federal regulations issued by the Administration for Children and Families (ACF), the Commission continues its intent to make the Self-Sufficiency Fund available to people who are at risk of becoming dependent on public assistance. While eligibility for Self-Sufficiency Fund services is open to adult TANF recipients as well as individuals who are at risk of becoming dependent on public assistance, the first priority of the Self-Sufficiency Fund is to assist current adult TANF recipients in obtaining the education and skills necessary to enter employment and become independent of public assistance.

As a workforce training tool, the goal of the Self-Sufficiency Fund is to help these adults obtain the education and skills necessary to enter employment and become independent of public assistance by providing customized job training for specific employers. Furthermore, the Commission intends that the Self-Sufficiency Fund should be available to help low income families with children avoid the risk of becoming dependent on public assistance, as well as assist in making the transition from public assistance into the workforce. Teaming the business community with education organizations to fund customized job training for adult TANF recipients and other adults at risk of becoming dependent on public assistance, this fund successfully merges employer needs and local job training opportunities into a winning formula for putting people to work and expanding the local workforce and economic base.

As an opportunity to expand a local workforce and economic base, and as a source of workforce development funds provided to a local workforce development area, the Commission encourages employers and education organizations to collaborate with the Local Workforce Development Boards (the Boards) when creating Self-Sufficiency Fund proposals. Though the Boards are the architects of local workforce development policy, the Boards also have invaluable economic development expertise and resources beneficial to creating a proposal or implementing customized job training. Furthermore, with priority given to proposals containing evidence of established referral procedures and agreements and the Boards and their contractors being a core source of referrals for Self-Sufficiency Fund training, strengthening the relationship with the Boards quickly connects adult TANF recipients and other adults at risk of becoming dependent on public assistance with needed education and skills, prompting transition into workforce and attaining self-sufficiency.

The new rules incorporate substantially all of the requirements currently contained in Chapter 835, which is concurrently adopted for repeal. However, because of the extensive nature of the changes, the Commission proposes the repeal of the current rules and proposes new rules. The new rules describe the operation of the Self-Sufficiency Fund. The new rules are updated to reflect current workforce development philosophy and policy, strengthen accountability of the grant recipients, encourage collaboration with the Boards, enhance administrative efficiency of the fund, and provide clarity throughout Chapter 835. Some of the nonsubstantive changes include minor typographical edits and changes in terminology in line with the definitions set out in Chapter 800 distinguishing Commission from Agency. The purpose and goal of the Self-Sufficiency Fund is to aid in the transition of adult TANF recipients and other adults at risk of becoming dependent on public assistance to the workforce through the development of customized job training plans and necessary support services. The fund will provide customized job training for adult TANF recipients through projects throughout the state to assist the Boards in meeting contracted Choices performance measures. The rules describe the procedure to be used in making an application for a Self-Sufficiency Fund award, in evaluating the proposals submitted, enumerate responsibilities of a grant recipient, and list requirements that a grant recipient must be meet in order to obtain payment on a Self-Sufficiency Fund contract. A document reflecting the new rules may be viewed at www.twc.state.tx.us/twcinfo/rules/prorules.html, or requested by contacting Kathy Turney at (512) 936-9256, faxing (512) 463-2672, e-mailing Kathy.Turney@twc.state.tx.us, or writing to

the Texas Workforce Commission, 101 East 15th Street, Room 526-T, Austin, Texas, 78778-0001.

Subchapter A contains §§835.1-835.4 and sets out the general provisions relating to the purpose and goal, definitions, uses of the fund, and waivers.

Specifically, the purposes of the sections contained in Subchapter A are as follows.

Section 835.1 sets out the scope and purpose of the Self-Sufficiency Fund. Changes from the repealed rules clarify that adult TANF recipients are targeted for customized job training. The remainder of Chapter 835 is edited to reflect this clarification. The statutory cites are updated to reflect changes made in prior legislative sessions.

Section 835.2 sets out the definitions. Some of the definitions, such as customized job training project, private partner, and training provider, are edited for clarity within the rule and to enhance administrative efficiency of the fund. Clarifications of these definitions are reflected throughout the remainder of the chapter where applicable. The term "Director" is simplified to allow the reader to understand clearly when the Executive Director's duties can be delegated and not delegated to a designee, and this clarification is reflected throughout the remainder of the chapter where applicable. The definition of individual at risk of becoming dependent on public assistance is expanded to include individuals referred to a Board contractor by the Texas Department of Human Services to attend a Workforce Orientation for Applicants session, which is a TANF eligibility requirement. Individuals referred to the Workforce Orientation are not yet TANF recipients, but are considered individuals at risk of becoming dependent on public assistance because the individuals are seeking TANF benefits. Statutory cites are updated to reflect changes made in prior legislative sessions. A definition for state extension service is added and the Texas Engineering Extension Service (TEEX) is properly defined to accurately reflect the statute, and the remainder of Chapter 835 is edited to distinguish between TEEX and state extension service where applicable.

Section 835.3 sets out uses of the Self-Sufficiency Fund. Changes made provide clarity to the rule, enhance administrative efficiency of the fund, and strengthen the goal of the fund by adding language addressing intent to expand the workforce.

Section 835.4 sets out waivers. Edits are made for clarity of the rule.

Subchapter B contains §§835.11-835.15 and sets out the provisions relating to program administration.

Section 835.11 sets out the project objectives. Edits clarify that adult TANF recipients are targeted for customized job training through projects throughout the state to assist the Boards in meeting contracted Choices performance measures. Furthermore, some of the objectives from the repealed rules are merged together into one objective for clarity and to streamline the objectives, and new objectives are added to update the rules to reflect current workforce development philosophy and policy, such as consideration of Texas' employer needs for

customized job training. One of the new objectives addresses the development of projects that will create jobs in local workforce development areas through the collaboration with the Boards. As the Commission's partners in workforce training and service delivery, the Boards are the architect of local workforce development policy and have the essential expertise and resources to address local economic development issues. The Commission believes that Board involvement is essential to the success of Self-Sufficiency Fund training because the Boards and their contractors are the central point of referrals of potential adult TANF recipients to be served, assist employers in meeting their needs, or other local reasons. Another new objective addresses collaboration with Board contractors, one-stop centers, or other entities to establish referrals of eligible trainees, which is added to emphasize the relationship between eligible referrals to training and overall success of a training project. Other objectives added are as follows: training that will lead to employment benefits, including medical insurance; ensure job retention by providing retraining in response to new or changing technology; develop projects that include contributions from other sources; training that results in enhanced worker skills and positive economic impact for the local community; and ensure expansion of the state's capacity to respond to workforce training needs. Edits made to this section will also enhance the administrative efficiency of the fund.

Section 835.12 sets out the grant administration. Edits bring the rule in line with definitions set out in Chapter 800 that distinguish Agency and Commission. Other edits are made for clarity of the rules under Chapter 835.

Section 835.13 sets out the limitations on awards. Edits bring the rule in line with definitions set out in Chapter 800 that distinguish between Agency and Commission. A new provision increases the cap on administrative costs to 15% for training projects that involve more than a single employer. The edits reflect an update of workforce development philosophy and policy and enhance the administrative efficiency of the fund.

Section 835.14 sets out the procedures for requesting Self-Sufficiency Funding. Subsection (a) is edited to clarify that Boards in the applicable local workforce development area must have the opportunity to review and provide comments about a proposal, and that any review and comment obtained by the private partner and education organizations would be part of the proposal submission to the Agency. Subsection (a) is clarified to reflect that the private partner, education organization and, if applicable, any other training provider present the joint proposal to the Agency. The Self-Sufficiency Fund is a vital source of customized job training funds, and because the Boards are the architects of local workforce development policy, the Boards should have the opportunity to be informed about and respond to any workforce training that might come into a local workforce development area. As an essential resource on local workforce development policy, collaborating with the Boards will bring employers and education organizations closer to achieving intended training goals. Under the new subsection (b), the proposal must contain evidence of established referral procedures or agreements with Board contractors, one-stop centers, or other entities for referral of eligible trainees. The purpose of this requirement reassures the Commission that the education organization, private partner and training provider have secured a means to obtain referrals of eligible trainees for the proposed training project, which could enhance the success of the training project. Other changes made to

Section 835.14 clarify the rules, strengthen the employer's and education organization's commitment to recruit eligible trainees, describe measurable training objectives and outcomes, address equal opportunity employment policy, outline the respective roles and responsibilities of employers and education organizations under a signed agreement, and overall enhance the administrative efficiency of the fund.

Section 835.15 sets out the procedures for proposal evaluation. Edits clarify the rules, bring the rules in line with Chapter 800 definitions distinguishing Agency and Commission, and enhance the administrative efficiency of the fund. An added subsection establishes the notification of Boards when the Agency is evaluating a proposal in order to keep the Boards informed about potential workforce activities in a local workforce development area. Subsection (d) is adopted with a technical change that removes "on behalf of the Agency" because this phrase is superfluous.

Subchapter C contains §§835.31-835.36 and sets out the provisions relating to program administration after an award of a training contract.

Section 835.31 sets out the grant recipient responsibilities. The adopted new subsection (a) requires a grant recipient administer the contract and submit financial and performance reports to the Agency on a quarterly basis based on the commencement date of the contract. Other changes are made to clarify the rules. Two new subsections strengthen the contractual obligations of the grant recipient, bring the rule up to date with current contract monitoring procedures, require the grant recipient to submit all reports in electronic format unless otherwise approved, and overall enhance the administrative efficiency of the fund.

Section 835.32 sets out the provisions for contract completion reports. Edits provide clarity to the rule, bring the terminology in line with definitions set out in Chapter 800, and enhance the administrative efficiency of the fund. The time frame to submit final reports is reduced from 90 days to 60 days following the end of the contract period to accelerate the closeout process. Edits in Subsection (5) addressing payroll records and reports provide the grant recipient greater flexibility with regard to obtaining trainee wage information from the employer participating in the customized job training.

Section 835.33 sets out the contract payment provisions. The provisions are edited to provide clarity on how the final payment will be completed, specifying that final payment of the awarded funds will be withheld for 60 days after the completion of customized job training and after receipt by the Agency of verification that trainees are employed in jobs leading to self-sufficiency. This subsection also states that the Executive Director may allow an attrition rate of 15% based on the total number of trainees as outlined in the contract. The changes enhance the administrative efficiency of the fund.

Section 835.34 is a new section that details when the Agency will send a Board notification of Self-Sufficiency grants awarded in the Board's local workforce development area. The rule is added to update the rule to reflect current workforce development philosophy and policy with regard to the role of the Boards. The new rule will also enhance administrative efficiency of the

funds, and allow the Boards to be informed about training funding invested by the Commission in a local workforce development area.

Comments were received from the North Central Texas Workforce Development Board and from the Texas Health and Human Services Commission.

The comment summaries and responses are as follows.

Comment: One commenter was thankful for the opportunity to review the rules, but had no comments.

Response: The Commission is appreciative of the comments.

Comment: One commenter stated that the proposed rule changes have come a long way to integrate the Self-Sufficiency Fund program into the local workforce networks, though the commenter emphasized the need to solidify how communication and collaboration between employers, education organizations, and the Boards will take place.

Response: The Commission is appreciative of the comments recognizing the Commission's integration of the Self-Sufficiency Fund program into the local workforce network. The Commission agrees that more collaboration and coordination with the Boards is essential, and encourages employers, education organizations, and the Boards to coordinate with one another in forging relationships to address local workforce and economic development goals and needs. The Commission disagrees with imposing requirements in the rules to force these local partners into working relationships, rather the local partners should foster productive relationships as part of their goal in meeting the workforce and economic development needs of the workforce area.

Comment: Regarding §835.11(3), one commenter felt that the Self-Sufficiency Fund program should be devolved to the Boards because of the Boards' infrastructure and ability to serve Choices clients; its strong ties between local workforce centers and employers; and its daily relationship with the local population.

Response: The Commission recognizes the need for the Boards to have visibility and flexibility regarding their role in planning and implementing economic and workforce development policy in a local workforce area, and the rules succeed in closer aligning the Boards, employers, and education organizations regarding Self-Sufficiency Fund training. However, the Commission disagrees with the commenter's suggestion of transitioning the Self-Sufficiency Fund program to the Boards at this time. There are unique opportunities that present themselves at the State level or at companies with locations in more than one workforce area, and the Commission does not want to limit its flexibility in responding to requests from those entities for training funds. In addition, the Commission has taken steps this year through the Workforce Investment Act (WIA) alternative funding mechanism to ensure that Boards have flexible funding to be used for employer's emergent needs and customized training projects. The Commission has also requested relief via a WIA waiver from the Department of Labor on the

amount of matching fund required of employers for WIA customized training projects that are funded with an individual Board's own allocation. The Commission does, however, believe a stronger relationship between applicants for Self-Sufficiency Fund grants and the Boards is critical to the success of these projects. The new rules seek closer alignment of all the interested parties.

Comment: Regarding §835.11(4) and §835.11(5), one commenter felt that the word "collaboration" should be defined in these two program objectives. The commenter believed that if left undefined, the current practice of requesting a support letter from the Board after the project has been written will remain in place and does little to further the objectives of assisting Boards in meeting Choices participation rates.

Response: The Commission disagrees with the commenter's suggestion of defining collaboration as used in §835.11(4) and §835.11(5). Under §835.14, potential grant recipients are required to obtain review and comment from the Board before the proposal is sent to the Agency. The Commission strongly urges early collaboration of employers, education organizations and the Boards in the design and planning of training projects, and expects these local partners to forge relationships as part of their goal in meeting the workforce and economic development needs of the workforce area. The Commission disagrees with the commenter in imposing requirements under rule to force local partners to collaborate.

Comment: Regarding §835.13(4), one commenter felt that all program projects should operate at a 10% administrative cost cap rather than allowing multiple employer projects to have a 15% administrative cost cap. The commenter felt that a 10% administrative cost cap is sufficient for projects done in concert with the Board. The commenter also felt that the Commission could waive the rules if administrative costs were greater than 10%.

Response: Although the Commission agrees with the commenter that single employer grants should be capped at 10%, it disagrees with the commenter's suggestion that all grants should be capped at 10%. The 15% administrative cost cap encourages employers to team together or join a business consortium that in turn could train more employees per capita and address more skills at an overall less administrative cost per student. It also encourages employers to communicate and work together to identify needed skills for a workforce area. Furthermore, the increased cap for multiple employer or consortium grants drives potential grant recipients to pursue such collaborations and gives the Commission the flexibility to appropriately fund the administrative costs of the grant recipient. Because the rule merely sets a discretionary maximum limitation on administrative costs, the Commission may also, at its discretion, set administrative costs below the cap in the rule.

Comment: Regarding §835.14(c)(3), one commenter felt that training under a Self-Sufficiency Fund grant should focus on occupations that facilitate the growth of industry and foster the economic growth of the region, but believed the training should only focus on targeted occupations set by the Boards to ensure new hires and current workers self-sufficient wages that include benefits.

Response: The Commission recognizes the commenter's suggestion that training projects should lead to the greatest economic benefit to the public in the form of enhanced worker skills and positive economic impact, which in turn facilitates growth of industry and fosters economic growth of a region. This objective is currently a part of the Self-Sufficiency Fund program objectives listed under §835.11. However, the Commission disagrees with the commenter's suggestion that training projects should be limited exclusively to training for jobs that lead to employment in a targeted occupation listed by the Board. The rule gives the Commission the flexibility to assist and encourage employers to participate in employment initiatives, such as those promoted by the U.S. Department of Labor and the Governor's Office, which may not involve targeted occupations. The Commission also retains flexibility in choosing training projects that will best serve Choices clients and employers. However, in working with its local partners, the Board is free to support or not support proposals based on whether proposals address the local workforce development goals or needs.

Comment: Regarding §835.15, one commenter stated that additional language should be added under this rule to include a statement in the application describing collaboration with the Board.

Response: The Commission disagrees with commenter's suggestion of requiring potential grant recipients to describe Board collaboration in the grant application. Under the rules, potential grant recipients are required to obtain review and comment from the Board before the proposal is sent to the Agency, and if the Board provides written comments, such comments should be included in the application. The Commission strongly urges early collaboration of employers, education organizations and the Boards in the design and planning of a training project. The Commission disagrees with imposing requirements under rule to force local partners into working relationships. The local partners must foster productive relationships as part of their goal in meeting local workforce and economic development goals and needs.

Comment: Regarding §835.32, one commenter suggested that grant recipients provide to the Board copies of reports that are to be provided to the Agency.

Response: The employers, educational organizations, and the Board must foster productive relationships as part of their goal in meeting local workforce and economic development goals and needs, and the Commission expects these local partners to communicate with each other about the progress of Self-Sufficiency Fund training. However, the Commission disagrees with the commenter's suggestion of providing the Board copies of reports the grant recipient is required to provide to the Agency. Self-Sufficiency Fund grant contracts are between grant recipients and the Agency, and because the Board is not a party to the contract, the Commission is concerned about confidential information contained in the reports that is required to remain confidential based on federal and state laws. However, in an effort to keep the Board apprised of Self-Sufficiency Fund training, the Commission may make a progress report available to the Board at the Board's request.

The rules are repealed under Texas Labor Code §301.061 and §302.002, which provide the Texas Workforce Commission with the authority to adopt, amend, or repeal such rules as it deems necessary for the effective administration of Agency services and activities.

The repeal affects Texas Labor Code, Titles 4 as well as Texas Government Code Chapter 2308.

CHAPTER 835. SELF-SUFFICIENCY FUND

SUBCHAPTER A. GENERAL PROVISIONS REGARDING THE SELF-SUFFICIENCY FUND

§835.1. Purpose and Goal

§835.2. Definitions

§835.3. Uses of the Fund

§835.4. Waivers

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The new rules are adopted under Texas Labor Code §301.061 and §302.002, which provide the Texas Workforce Commission with the authority to adopt, amend, or repeal such rules as it deems necessary for the effective administration of Agency services and activities.

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CHAPTER 835. SELF-SUFFICIENCY FUND

SUBCHAPTER A. GENERAL PROVISIONS REGARDING THE SELF-SUFFICIENCY FUND

§835.1. Purpose and Goal.

- (a) The purpose of the Self-Sufficiency Fund is to provide training for targeted employment opportunities primarily for adult Temporary Assistance for Needy Families (TANF) recipients as well as those individuals at risk of becoming dependent on public assistance.
- (b) The goal of the fund is to help primarily adult TANF recipients as well as those individuals at risk of becoming dependent on public assistance receive training leading to a job which allows them to become and remain independent of financial assistance provided under Texas Human Resources Code, Chapters 31, 33 and 34.
- (c) Priority shall also be given to proposals containing evidence of established referral procedures or agreements with Board contractors, one-stop centers, or other entities.
- (d) The goal of the fund may also be accomplished by providing funds for support services as necessary for participants to prepare for and participate in training activities and to make the transition from training activities to employment.

§835.2. Definitions.

The following words and terms, when used in this chapter, shall have the following meanings, unless the context clearly indicates otherwise.

- (1) Community-based organization (CBO)--A private nonprofit organization that is representative of a community or a significant segment of a community and that provides education, vocational education or rehabilitation, job training, or internship services or programs. The term includes a neighborhood group or corporation, union-related organization, employer-related organization, faith-based organization, tribal government, or organization serving Native Americans. The CBO must be certified as a 501(c)(3) nonprofit organization under the IRS Code of 1986, as amended. A CBO providing services, which are regulated by the state, must provide evidence of required certification, license or registration.
- (2) Customized job training project--A project designed for a business, business consortium, or trade union in partnership with a public community or technical college, state extension service, TEEEX or community-based organization for the purpose of providing specialized workforce training to prospective employees of the business or business consortium, or members of the trade union with the intent of expanding the workforce.
- (3) Director--The Executive Director of the Texas Workforce Commission.
- (4) Texas Engineering Extension Service (TEEX)--A higher education agency and service established by the Board of Regents of the Texas A&M University System.
- (5) Grant recipient--A public community or technical college, community-based organization, state extension service, or TEEEX awarded a grant from the Self-Sufficiency Fund.
- (6) Individual at risk of becoming dependent on public assistance--An individual who is a member of a food stamp household with dependent children or who has been referred to a Board contractor by the Texas Department of Human Services (DHS) to attend a Workforce Orientation for Applicants session in accordance with DHS rule 40 TAC §3.7301.
- (7) Private partner--A person, sole proprietorship, partnership, corporation, association, consortium, or private organization that enters into a partnership for a customized job training project with a public community or technical college, a community-based organization, state extension service, or TEEEX.
- (8) Public community college--A state funded two-year educational institution primarily serving its local taxing district and service area in Texas and offering vocational, technical and academic courses for certification or associate degrees.

- (9) Public technical college--A state funded coeducational institution of higher education offering courses of study in vocational and technical education, for certification or associate degrees.
- (10) Self-Sufficiency--Employment with wages reasonably calculated to make the employee independent of financial assistance under Texas Human Resources Code, Chapters 31, 33 and 34.
- (11) State extension service-- An education service that provides technical and vocational training and is sponsored by a higher education agency regulated by the Texas Higher Education Coordinating Board.
- (12) TANF recipient--A person who receives financial assistance under Texas Human Resources Code, Chapters 31, 33 and 34.
- (13) Trade union--An organization, agency or employee committee, in which employees participate and which exists for the purpose of dealing with employers concerning grievances, labor disputes, wages, rates of pay, hours of employment or conditions of work.
- (14) Training provider--Any public community or technical college, community-based organization, state extension service, or TEEEX that provides training; or any person, sole proprietorship, partnership, corporation, association, consortium, governmental subdivision or public or private organization with whom a public community or technical college, community-based organization, state extension service, or TEEEX has subcontracted to provide training.

§835.3. Uses of the Fund

- (a) The Self-Sufficiency Fund may be used by a public community or technical college, community-based organization, state extension service, or TEEEX for the following job-training purposes:
 - (1) to develop customized job training projects for adult TANF recipients or individuals who are at risk of becoming dependent on public assistance;
 - (2) to develop customized job training projects for businesses, trade unions, and small and medium-sized business consortiums participating in projects with the intent to expand the workforce; and
 - (3) for support services, deemed reasonable and necessary by the Agency for participants to prepare and participate in training activities and to make the transition from training activities to employment.

- (b) Only those support services specifically described in a contract under this subsection may be charged to a contract funded with Self-Sufficiency Fund monies.
- (c) The Self-Sufficiency Fund may not be used for the purchase of any proprietary or production equipment for the training project of a single employer.

§835.4. Waivers

The Director may suspend or waive a section of this chapter, not statutorily imposed, in whole or in part, upon a showing of good cause and a finding that the public interest would be served by such a suspension or waiver. For purposes of this section, the Director, and not a designee of the Director, is the only person who may approve a waiver.

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The rules are repealed under Texas Labor Code §301.061 and §302.002, which provide the Texas Workforce Commission with the authority to adopt, amend, or repeal such rules as it deems necessary for the effective administration of Agency services and activities.

The repeal affects Texas Labor Code, Titles 4 as well as Texas Government Code Chapter 2308.

SUBCHAPTER B. PROJECT ADMINISTRATION

§835.11. Project Objectives

§835.12. Grant Administration

§835.13. Limitations on Awards

§835.14. Procedure for Requesting Funding

§835.15. Procedure for Evaluation

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The new rules are adopted under Texas Labor Code §301.061 and §302.002, which provide the Texas Workforce Commission with the authority to adopt, amend, or repeal such rules as it deems necessary for the effective administration of Agency services and activities.

The rules affect Texas Labor Code, Titles 4 as well as Texas Government Code Chapter 2308.

SUBCHAPTER B. PROJECT ADMINISTRATION

§835.11. Project Objectives

The objectives of the Self-Sufficiency Fund are:

- (1) to provide training for targeted employment to allow adult TANF recipients as well as those individuals at risk of becoming dependent on public assistance to achieve self-sufficiency;

- (2) to the extent practicable, to provide Self-Sufficiency Fund services in all areas of the state and ensure expansion of the state's capacity to respond to workforce training needs;
- (3) to assist the Board in its efforts to meet the Board's Choices performance measures and assist individuals receiving public assistance in entering the workforce;
- (4) to develop projects that will create jobs in local workforce development areas through collaboration with the Boards;
- (5) to collaborate with Board contractors, one-stop centers, or other entities to establish referrals of eligible trainees;
- (6) to develop projects that at the completion of training will result in employment benefits, including medical insurance, for the participants in the customized training project;
- (7) to develop projects which include contributions from other resources, including the private partners, that are being committed to the customized job training project; and
- (8) to develop projects that at completion of the training will result in the greatest economic benefit to the public, in the form of enhanced worker skills and positive economic impact within the local community for each dollar invested in worker training.

§835.12. Grant Administration

- (a) The Agency shall administer the Self-Sufficiency Fund.
 - (1) The Director, or his or her designee who is knowledgeable in the administration of grants, shall be responsible for the distribution of money from the Fund.
 - (2) The Director, or his or her designee, shall ensure that employers and training providers work together to propose training and employment for a specific number of trainees.
- (b) Proposals requesting funding for a project may be submitted from any area of the state. Proposals must be reasonable in scope and utilize all available resources, including private contributions as well as local, state and federal funds.

§835.13. Limitations on Awards

The Agency may impose any or all of the following limitations on the funds awarded under any specific grant:

- (1) a limit of \$500,000 for training needs of a single employer;
- (2) a limit of 10% of the grant award for the allowable purchase of any proprietary or production equipment required for the training project for a consortium of employers;
- (3) a limit of 10% of the grant award for administrative costs related to the direct training needs of a single employer; and
- (4) a limit of 15% of the grant award for administrative costs related to direct training needs of two or more employers.

§835.14. Procedure for Requesting Funding

- (a) After obtaining the review and comments of the Board in the applicable local workforce development area(s), a prospective private partner, together with a public community or technical college, community-based organization, state extension service, or TEEEX and any other training provider, shall present to the Director, or his or her designee, a joint proposal requesting funding for a project which meets the objectives of the Self-Sufficiency Fund.
- (b) The proposal shall contain evidence of established referral procedures or agreements with Board contractors, one-stop centers, or other entities for referral of eligible trainees.
- (c) Proposals shall be written and contain the following information:
 - (1) the number of trainees to be trained and employed;
 - (2) a brief outline of the proposed customized job training project including:
 - (A) methods of recruitment and assessment of eligible trainees;
 - (B) skills to be taught;
 - (C) strategies for successfully meeting the needs of eligible trainees; and
 - (D) a list of the measurable training objectives and outcomes.
 - (3) the occupation for which training will be provided, the wages to be paid during the first year of employment for a trainee who successfully completes the training project, the proposed timeline to achieve self-sufficiency, and the employment benefits provided by the private partner;

- (4) a statement describing the prospective private partner's equal opportunity employment policy;
- (5) a budget summary identifying all sources of funding for the project and specifying the amount requested from the Self-Sufficiency Fund;
- (6) completed checklist of information on the training provider's financial management system;
- (7) names of all of the entities which will be directly providing training and education services, a description of the training and educational services to be provided by each entity, as well as a description of the prior experience and demonstrated performance in directly providing training or education services to the targeted population;
- (8) a signed agreement between the prospective private partner and the public community or technical college, community-based organization, state extension service, or TEEX outlining each entity's role and responsibilities if a grant is awarded; and
- (9) any other factors unique to the circumstances of the project which should be considered.

§835.15. Procedure for Evaluation

- (a) The Director's, or his or her designee's, evaluation of each proposal shall include consideration of the:
 - (1) information contained in the written proposal;
 - (2) project objectives and outcome measures as referenced in §835.11 of this subchapter;
 - (3) prior experience and performance in the provision of direct training and education by the entity providing training and education services; and
 - (4) verification of good standing for any required certification, license, or registration for training providers.
- (b) Priority shall be given to proposals which utilize all available resources, including private contributions as well as local, state and federal funds.

- (c) The Agency will notify the Board in the applicable local workforce development area(s) when the Agency is evaluating a proposal so as to inform the Board of potential workforce activities in the workforce area(s).
- (d) If the Agency determines that a proposal is appropriate for funding through the Self-Sufficiency Fund and funding is available, the Director, or his or her designee, may enter into a contract with the grant recipient ~~on behalf of the Agency.~~

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The rules are repealed under Texas Labor Code §301.061 and §302.002, which provide the Texas Workforce Commission with the authority to adopt, amend, or repeal such rules as it deems necessary for the effective administration of Agency services and activities.

The repeal affects Texas Labor Code, Titles 4 as well as Texas Government Code Chapter 2308.

SUBCHAPTER C. PROJECT ADMINISTRATION AFTER AWARD OF CONTRACT

§835.31. Grant Recipient's Responsibilities

§835.32. Contract Completion Reports

§835.33. Contract Payment

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The new rules are adopted under Texas Labor Code §301.061 and §302.002, which provide the Texas Workforce Commission with the authority to adopt, amend, or repeal such rules as it deems necessary for the effective administration of Agency services and activities.

The rules affect Texas Labor Code, Titles 4 as well as Texas Government Code Chapter 2308.

SUBCHAPTER C. PROJECT ADMINISTRATION AFTER AWARD OF CONTRACT

§835.31. Grant Recipient's Responsibilities

- (a) The grant recipient shall serve as fiscal agent, shall administer the contract, and in cooperation with the private partner and any separate training provider, submit financial and performance reports to the Agency on a quarterly contract basis.
- (b) The grant recipient shall maintain fiscal data needed for independent verification of expenditures of funds received for the customized job training project for three years after the termination of the contract.
- (c) All requests for contract amendments must be made in writing by the grant recipient. Contract amendments must be written and must be executed by the Director, or his or her designee, before the implementation of a change to the contract.
- (d) The grant recipient shall cooperate with and comply with the Agency monitoring activities as required by Chapter 800, Subchapter H of this title.

- (e) The grant recipient shall submit all required reports in electronic format required by the Agency unless otherwise approved by the Agency.

§835.32. Contract Completion Reports

No later than 60 days following the end of the contract period for the customized job training project, the grant recipient shall provide the Agency with the following information:

- (1) a copy of any audit performed on the customized job training project;
- (2) the number of trainees placed in jobs, in which occupations they were placed, the wages for those occupations, and the number of trainees who have achieved self-sufficiency at the completion of the customized job training project;
- (3) a narrative report by the grant recipient summarizing the customized job training project results, which shall include documentation that the training objectives and outcomes specified in the contract have been achieved, and may include brief narratives by employers evaluating the customized job training project's effectiveness in meeting their needs;
- (4) a detailed accounting of the expenditure of funds received under the contract; and
- (5) the grant recipient shall provide the Agency one of the following:
 - (A) payroll records and/or reports certified by an independent auditor or verified by the employer that provides the name, the social security number, the occupation, and the trainee's wage at the completion of the training; or
 - (B) a statement from the employer that the wages at the time of job placement for each individual who successfully completes customized training is comparable to the wage for that occupation in the local labor market area.

§835.33. Contract Payment

Payment under a contract will be contingent upon the Director's, or his or her designee's, determination that the project has met the training objectives, outcomes, and requirements specified in the contract. The final payment of the grant amount will be withheld for 60 days after the completion of training and after receipt by the Agency of verification that the trainees are employed in jobs leading to self-sufficiency. The Director may allow an attrition rate of 15% based on the total number of trainees as outlined in the contract.

§835.34. Notice to Local Workforce Development Board

The Agency will inform the Board in the applicable local workforce development area(s) when the Agency awards a grant from the Self-Sufficiency Fund that impacts the local workforce development area.

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