

AMENDMENTS TO CHAPTER 835. SELF-SUFFICIENCY FUND

PROPOSED RULE 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*.

ON JULY 7, 2003, THE TEXAS WORKFORCE COMMISSION PROPOSED THE BELOW RULE WITH PREAMBLE TO BE SUBMITTED TO THE *TEXAS REGISTER*.

Estimated Publication Date of the Proposal in the *Texas Register*: July 25, 2003.
Estimated End of Comment Period: August 25, 2003

The Texas Workforce Commission (Commission) proposes the amendment of rules to Chapter 835 Self-Sufficiency Fund, Subchapter A. General Provisions Regarding the Self-Sufficiency Fund, Section 835.2 Definitions.

In general, the Commission proposes amendments to the Self-Sufficiency Fund (SSF) rules to expand the eligibility criteria for the population to be trained through the SSF program.

Background. Employers have expressed the need for increased job training for lower level incumbent workers. Currently, the SSF rules limit eligibility to Temporary Assistance for Needy Families (TANF) recipients, TANF applicants who have been referred by the Texas Department of Human Services to attend a Workforce Orientation for Applicants (WOA), and food stamp households with dependent children. In order to maximize the flexibility of the eligibility criteria, a needy parent, both custodial and non-custodial, will be considered eligible if their annual income is equal to or below \$37,000. The Commission is proposing this annual income because it approximates 200 percent of the Federal Poverty Guidelines for a family of four. Utilizing the wages of the incumbent worker will allow for a simplified identification of individuals who are eligible for SSF training.

To calculate the annual income, multiply an hourly wage by 2,080 hours (2,080 hours is calculated based on 52 weeks per year multiplied by 40 hours per week) and a monthly wage by 12 months. For example, if a worker is earning \$12/hour, the wage is multiplied by 2,080, which equates to an annual income of \$24,960. If a worker is earning \$2,400/month, the wage is multiplied by 12, which equates to an annual income of \$28,800. Under both of these scenarios, the worker is eligible for SSF training.

In Subchapter A, Section 835.2, the rule contains a revised definition for "individual at risk of becoming dependent on public assistance."

Coordination with Stakeholders: Prior to proposing these rule amendments, the Commission circulated a policy concept paper outlining the changes to the Board chairs, members, and executive directors, and the Workforce Leadership of Texas (WLT) Policy Committee. In addition, Commission staff, during a conference call with the Board executive directors, and at a WLT Policy Committee meeting, reviewed the policy concept paper and requested feedback from the Boards, on the draft policy changes.

Randy Townsend, Chief Financial Officer, has determined that for the first five-year period the rules are in effect, the following statements will apply:

there are no additional estimated costs to the state and to local governments expected as a result of enforcing or administering the rules;

there are no estimated reductions in costs to the state and to local governments as a result of enforcing or administering the rules;

there are no estimated losses or increases in revenue to the state and to local governments as a result of enforcing or administering the rules;

there are no foreseeable implications relating to costs or revenue of the state or local governments as a result of enforcing or administering the rules; and

there are no anticipated economic costs to persons required to comply with the rules.

Mr. Townsend has determined that there is no anticipated adverse impact on small businesses as a result of enforcing or administering the rules because small businesses are not required to expend additional funds as a result of the rules.

James Barnes, Director of Labor Market Information, has determined that the proposed amendments will not affect employment. The Director of Labor Market Information does not expect any significant impact upon overall employment conditions in the state as a result of the proposed rules.

Luis Macias, Director of Workforce Division, has determined that for each year of the first five years the rules are in effect, the public benefit anticipated as a result of enforcing the rules will be to provide employer-focused training activities in a more flexible manner to assist employers in developing a skilled workforce.

Comments on the proposal may be submitted to John Moore, Office of General Counsel, Texas Workforce Commission, 101 East 15th Street, Room 608, Austin, Texas 78778-0001; fax (512) 463-1426. Comments may also be submitted via e-mail to Mr. Moore at ruleandpolicy.comments@twc.state.tx.us. Comments must be received by the Commission within thirty (30) days from the date this proposal is published in the *Texas Register*.

For information about the Commission, including services for employers and workers, please visit our web page at www.texasworkforce.org.

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

Texas Labor Code, Title 4 and particularly Chapter 301 and Chapter 302 will be affected by the amendments as well as Texas Human Resources Code, Chapter 31 regarding public assistance.

SUBCHAPTER A. GENERAL PROVISIONS REGARDING THE SELF-SUFFICIENCY FUND

§835.2. Definitions.

- (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, TEEX 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 TEEX 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, a TANF applicant 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, or a parent, including a noncustodial parent, whose annual wages are at or below \$37,000.
- (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 TEEX.
- (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.