



## Helpful Information and Tips

Your Texas Workforce Commission (TWC) Employer Engagement and Community Outreach team provides technical assistance in developing Skills Development Fund (SDF) grants. The team can provide labor market data, help with prevailing wage checks, help determining Standard Occupational Classification (SOC) codes, document coordination, and overall project support.

### Project:

- Businesses must be in good standing with federal, state, and local governments, including payments of all taxes, determining the existence of pending administrative or court actions, and determining whether there are any adverse factors related to the business that could impact the awarding of a grant.
- Businesses (in partnership with an eligible applicant) can receive up to \$500,000 to meet their customized training needs. Amounts over \$500k will require a justification.
- The target average cost per trainee is \$2,000.
  - 80 hours per trainee is a good target.
  - Courses should be around \$100 per hour or less.
  - Courses that register more than \$2,000 per trainee or over \$100/training hour will need to be justified in the LOTS application.
- An average 1% wage increase is expected from the business partner for incumbent workers who complete training.
- Up to 50% of the initial training can be proprietary training provided by the business. If there is a second project for training, no more than

25% of that training can be proprietary. If none of the courses are proprietary, then none of the training can be done by the business.

- College applicants must conduct at least 50% of the training. Workforce Development Boards who are submitting a project must give the local community college the option to provide some of the training.
- Trainees must be full-time, W-2 employees.
- Double check SOC codes to ensure:
  - That each one is accurate for the specified job description and for the Workforce Development Area (WDA) in which the business is located.
  - That employees are meeting the 25<sup>th</sup> percentile prevailing wage for the SOC code selected. Be prepared to provide job descriptions based on the job posting, if requested.
- Double check the Training Courses section in LOTS to be sure that all course information is accurate and that there are **no abbreviations** in the course names or training providers.
- Ensure the grant amount listed in the Budget section matches the amount on the Workforce Development Comment Review form.
- If the business uses a PEO, a letter must be obtained from the PEO on their letterhead that provides the following specific information:
  - The employer's name and TWC account number
  - They must state that they are the PEO for the named employer
  - Total number of employees the PEO is reporting for the participating employer
- The 'In-Kind' section now called "Additional Funding" which is listed under the business partner information must be included. The amount of wages paid during the training as well as any other costs contributed to the project such as supplies, and equipment may be added in this section.

- Wages Calculation: Total Training Hours x Average Hourly Wage
- Other items must be itemized such as benefits during the training period, any supplies or equipment donations can be included.
- Training category thresholds:
  - Technical (Business/General) is not limited.
  - Non-Technical is limited to 25% or less.
    - Courses may include “soft skills”, such as leadership and management training.
    - Trainings that are required by law or regulations for an industry or business.
  - Mandatory Human Resources courses new employee orientation, timekeeping, workplace conduct, or compliance may not be included in the project.
  - For courses that exceed \$2,000 total course cost an explanation must be provided.
- Third-Party Trainers can conduct no more than 50% of the training, if the College is the applicant.
  - If a third-party trainer is used, in the Training Courses Section under ‘Name of Training Provider’, the Company name of the third-party trainer must be listed, not the College.
- Memorandum of Understanding Updated Required Language
- The applicant must establish a written agreement, Memorandum of Understanding (MOU), with the potential business partner(s) included in the Skills Development Fund (SDF) application and any additional business partner that is added to the application or grant award. The written agreement must include at least the minimum commitments below.
  1. The business partner acknowledges and assures that all project participants full-time employees of the private partner and any businesses it represents on Attachment A of the Skills Development Fund (SDF) application prior to receiving training with grant funds.
  2. The business partner acknowledges and assures that they are contributing and will continue to contribute Texas Unemployment Insurance taxes for any participant that receives training with grant funds.

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- 3. The business partner acknowledges and assures that by the completion of the training project, the wages paid to the project participants meet or exceed the hourly wage or wage range corresponding to their respective job titles as included and approved in the Skills Development Fund (SDF) application.*
- 4. The business partner acknowledges and assures that it will employ the project participants for at least sixty (60) days after the completion of training.*
- 5. The business partner acknowledges and assures that they will document and provide project participant data as required or requested by the Texas Workforce Commission to the grantee, college partner or TWC directly.*

### Equipment:

- Equipment purchases through SDF funding will be considered when the grantee is a technical or community college.
- Workforce Boards may request to purchase equipment when they partner with a technical or community college who will keep and use the equipment after the grant has expired.
- Necessary equipment can be requested with a maximum of up to 10% of the project cost and only for projects with more than one (1) business partner.
- When reviewing SDF equipment requests, we typically consider specialized equipment, essential to the project's execution and available to use for similar future training. We recommend providing detail on current partnerships with other employers who can use the equipment in subsequent SDF grants.
- The Texas Procurement and Contract Management Guide defines equipment as tangible personal property, having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds \$5,000.

### Other Helpful Information:

- For help with CIP codes or writing course descriptions, contact your Regional Business Liaison.
- The Project Development to Awarded/Contracted timeline for a standard application that does not require revisions is approximately

90 days. Training can only begin **after** the Contract has been executed.

- Supervisory positions in non-SOC 11-1000 series could be eligible to participate and will be considered on a case-by-case basis considering their official job description, supervision responsibilities, among other criteria.
- Top tier management positions (11-1011, 11-1021, 11-2021, 11-2022, 11-2031, 11-3011, 11-3021, 11-3031, 11-3051, 11-3061, 11-3071, and 11-3121 SOC series such as CEO, CFO, Executive Director, Department Managers, etc.) and Doctors (29-1069 Physicians and Surgeons) are not eligible to participate.
- Public sector employees are not eligible to be trained under the SDF grant.
- Businesses that participate in a Skills grant will be eligible to participate in a new Skills grant 6 months after their previous grant expires unless they are only training new employees who did not participate in the previous grant.