

CHAPTER 812. RURAL WORKFORCE DEVELOPMENT GRANT PROGRAM

ADOPTED RULES TO BE PUBLISHED IN THE *TEXAS REGISTER*. THIS DOCUMENT WILL HAVE NO SUBSTANTIVE CHANGES BUT IS SUBJECT TO FORMATTING CHANGES AS REQUIRED BY THE OFFICE OF THE SECRETARY OF STATE.

Publication Date of the Adoption in the *Texas Register*: **August 7, 2026**

The Rules are Effective: **August 16, 2026**

The Texas Workforce Commission (TWC) adopts new Chapter 812, relating to the Rural Workforce Development Grant Program, comprising the following subchapters:

Subchapter A. General Provisions, §§812.1 - 812.3

Subchapter B. Program Administration, §§812.11 - 812.15

New §§812.1 - 812.3 and 812.11 - 812.15 are adopted *without changes* to the proposal, as published in the March 20, 2026, issue of the *Texas Register* (51 TexReg 1802), and, therefore, the adopted rule text will not be published.

PART I. PURPOSE, BACKGROUND, AND AUTHORITY

The purpose of the new Chapter 812 is to establish the Rural Workforce Development Grant Program and set forth TWC's procedures for administering the new grant program.

Senate Bill 2448 (SB 2448), 89th Texas Legislature, Regular Session, 2025, amended Texas Labor Code, Chapter 302, by adding Subchapter J relating to the creation of the Rural Workforce Development Grant Program.

The Rural Workforce Development Grant Program allows TWC to award grants to one or more nonprofit organizations to provide technical assistance and support to institutions of higher education and school districts located in rural areas of the state in aligning and delivering workforce training and higher education programs to address skills gaps to meet urgent workforce demands of rural areas.

SB 2448 requires TWC, in consultation with the Texas Education Agency and the Texas Higher Education Coordinating Board, to establish and administer the program. SB 2448 also requires TWC to adopt rules necessary to administer the program and to periodically verify that grant money awarded to a nonprofit organization under the program is being used appropriately. In addition to any money appropriated for the program, TWC may solicit and accept gifts, grants, and donations from any public or private source for the program.

PART II. EXPLANATION OF INDIVIDUAL PROVISIONS

SUBCHAPTER A. GENERAL PROVISIONS

TWC adopts new Subchapter A, General Provisions, as follows:

§812.1. Purpose and Goal

New §812.1(a) sets forth the purpose of the Rural Workforce Development Grant Program.

New §812.1(b) sets forth the goals of the Rural Workforce Development Grant Program.

§812.2. Definitions

New §812.2 defines terms used in this chapter.

§812.3. Program Funding

New §812.3 allows TWC to solicit and accept funding for the Rural Workforce Development Grant Program in addition to any money appropriated.

SUBCHAPTER B. PROGRAM ADMINISTRATION

TWC adopts new Subchapter B, Program Administration as follows:

§812.11. Grant Eligibility

New §812.11 establishes the eligibility requirements for potential grant applicants.

§812.12. Grant Application

New §812.12 establishes the application requirements for eligible applicants.

§812.13. Grant Requirements

New §812.13 establishes the grant requirements for the Rural Workforce Development Grant Program.

§812.14. Review and Reporting Requirements

New §812.14 sets forth the requirements for rules and grant recipient award review.

§812.15. Annual Report

New §812.15 sets forth TWC's reporting requirements.

TWC hereby certifies that the new rules have been reviewed by legal counsel and found to be within TWC's legal authority to adopt.

PART III. PUBLIC COMMENTS

The comment period ended on April 20, 2026.

TWC received a comment from The Scaffold Initiative.

COMMENT: The Scaffold Initiative, a national 501(c)(4) dedicated to expanding AI and digital workforce readiness for displaced workers, expressed its support for establishing the Rural Workforce Development Grant Program. To address unique rural workforce challenges, Scaffold Initiative recommends integration of AI and digital literacy into grant priorities for §812.1(b). According to the commenter, this is crucial

because rural sectors like agriculture, health care, and energy are rapidly adopting AI-driven technologies, requiring workers to develop AI competency to operate augmented tools effectively. Without this, the organization says rural communities risk falling behind. They suggested TWC include a preference for proposals that incorporate AI and digital skills into workforce training. Additionally, to ensure accessibility for nationally operating nonprofits, the Initiative recommended flexibly interpreting §812.11 to allow applicants to demonstrate equivalent rural workforce development experience from comparable settings outside Texas, thereby broadening the pool of qualified organizations. The Initiative also offered to provide data on the positive impact of AI and digital skills in workforce programs.

RESPONSE: TWC appreciates the comment and appreciates the recommendation and offer to provide supporting data on program impact. TWC also appreciates the Scaffold Initiative's expertise and commitment to workforce development. No changes were made in response to this comment; however, these valuable suggestions will be considered as we move forward with implementation of the program.

PART IV. STATUTORY AUTHORITY

The new rules are adopted under the authority of:

--Texas Labor Code, §302.306(1), as added by SB 2448, 89th Texas Legislature, Regular Session, 2025, which requires TWC to adopt rules for the administration of the Rural Workforce Development Grant Program.

--Texas Labor Code, §301.0015(6) and §302.002(d), which provide TWC with the authority to adopt, amend, or repeal such rules as it deems necessary for the effective administration of TWC services and activities.

The adopted rules implement Title 4, Texas Labor Code, Chapter 302, Subchapter J.

CHAPTER 812. RURAL WORKFORCE DEVELOPMENT GRANT PROGRAM

SUBCHAPTER A. GENERAL PROVISIONS

§812.1. Purpose and Goal.

- (a) Purpose. The purpose of this chapter is for the Agency, in consultation with the Texas Education Agency and the Texas Higher Education Coordinating Board, to establish and administer the Rural Workforce Development Grant Program, as set forth by Texas Labor Code, Chapter 302, Subchapter J, under which the Agency may award grants to one or more eligible nonprofit organizations for the purpose of improving workforce development outcomes in rural areas.
- (b) Goal. The Rural Workforce Development Grant Program's goal is to provide technical assistance and support to institutions of higher education and school districts located in rural areas of the state in aligning and delivering workforce training and higher education programs to address skills gaps to meet urgent workforce demands of rural areas.

§812.2. Definitions.

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

- (1) Eligible Applicant--A nonprofit organization as defined under Texas Labor Code, §302.301.
- (2) Grantee--A recipient of a grant from the Rural Workforce Development Grant Program.

§812.3. Program Funding.

In addition to any money appropriated for the Rural Workforce Development Grant Program, the Agency may solicit and accept gifts, grants, and donations from any public or private source for the program.

SUBCHAPTER B. PROGRAM ADMINISTRATION

§812.11. Grant Eligibility.

To be eligible for a grant under the Rural Workforce Development Grant Program, an eligible applicant must:

- (1) demonstrate experience in effectively providing technical assistance and support to institutions of higher education or school districts located in a

rural area of this state in aligning and delivering workforce training and higher education programs to address skills gaps to meet the area's urgent workforce demands; and

- (2) satisfy any other relevant grant eligibility criteria as outlined in the grant application.

§812.12. Grant Application.

To apply for the grant, an eligible applicant must submit a grant application in accordance with the procedure specified in the grant application.

§812.13. Grant Requirements.

- (a) The grant contract must provide the Agency an opportunity to periodically evaluate the performance and outcomes of the grantee to ensure the public purpose of improving rural workforce development is accomplished.
- (b) Grant money awarded to an eligible nonprofit organization under the Rural Workforce Development Grant Program shall be used by the organization only for costs associated with providing technical assistance and support to an institution of higher education or school district located in a rural area of this state in aligning and delivering workforce training and higher education programs to address skills gaps to meet the area's urgent workforce demands.

§812.14. Review and Reporting Requirements.

To maintain eligibility to receive grant payments, a grantee must comply with all review and reporting requirements specified in the grant contract. Failure to comply with the review and reporting requirements may result in termination of the grant award and the entity being ineligible for future grants under this chapter.

§812.15. Annual Report.

The Agency shall annually report on the Rural Workforce Development Grant Program's effectiveness, including any grants awarded during the most recent state fiscal year. Not later than December 1 each year, the Agency shall submit this report to the:

- (1) governor;
- (2) lieutenant governor;
- (3) speaker of the house of representatives; and

- (4) each standing committee of the legislature with primary jurisdiction over workforce development.