

## **CHAPTER 812. RURAL WORKFORCE DEVELOPMENT GRANT PROGRAM**

**PROPOSED 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.**

ON **MARCH 3, 2026**, THE TEXAS WORKFORCE COMMISSION PROPOSED THE RULES BELOW WITH PREAMBLE TO BE SUBMITTED TO THE TEXAS REGISTER.

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Estimated End of Comment Period: April 20, 2026

The Texas Workforce Commission (TWC) proposes 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

### **PART I. PURPOSE, BACKGROUND, AND AUTHORITY**

The purpose of the proposed 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 proposes 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 proposes 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.

## **PART III. IMPACT STATEMENTS**

Chris Nelson, Chief Financial Officer, has determined that for each year of the first five years the rules will be 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 cost reductions 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 or 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.

There are no anticipated economic costs to individuals required to comply with the rules.

There is no anticipated adverse economic impact on small businesses, microbusinesses, or rural communities as a result of enforcing or administering the rules.

Based on the analyses required by Texas Government Code, §2001.024, TWC has determined that the requirement to repeal or amend a rule, as required by Texas Government Code, §2001.0045, does not apply to this rulemaking.

#### Takings Impact Assessment

Under Texas Government Code, §2007.002(5), "taking" means a governmental action that affects private real property, in whole or in part or temporarily or permanently, in a manner that requires the governmental entity to compensate the private real property owner as provided by the Fifth and Fourteenth Amendments to the US Constitution or the Texas Constitution, §17 or §19, Article I, or restricts or limits the owner's right to the property that would otherwise exist in the absence of the governmental action, and is the producing cause of a reduction of at least 25 percent in the market value of the affected private real property, determined by comparing the market value of the property as if the governmental action is not in effect and the market value of the property determined as if the governmental action is in effect. TWC completed a Takings Impact Assessment for the proposed rulemaking action under Texas Government Code, §2007.043. The primary purpose of this proposed rulemaking action, as discussed elsewhere in this preamble, is to provide the establishment and operational procedures of the Rural Workforce Development Grant Program, administered by TWC.

The proposed rulemaking action will not create any additional burden on private real property or affect private real property in a manner that would require compensation to private real property owners under the US Constitution or the Texas Constitution. The proposal also will not affect private real property in a manner that restricts or limits an owner's right to the property that would otherwise exist in the absence of the governmental action. Therefore, the proposed rulemaking will not cause a taking under Texas Government Code, Chapter 2007.

#### Government Growth Impact Statement

TWC has determined that during the first five years the rules will be in effect, it:

- will create a government program pursuant to Texas Labor Code, Chapter 302, Subchapter J, as added by SB 2448, to create the Rural Workforce Development Grant Program;
- will not require the creation or elimination of employee positions;
- will not require an increase or decrease in future legislative appropriations to TWC;
- will not require an increase or decrease in fees paid to TWC;
- will not create a new regulation;
- will not expand, limit, or eliminate an existing regulation;
- will not change the number of individuals subject to the rules; and
- will not positively or adversely affect the state's economy.

#### Economic Impact Statement and Regulatory Flexibility Analysis

TWC has determined that the rules will not have an adverse economic impact on small businesses or rural communities, as the proposed rules place no requirements on small businesses or rural communities.

Mariana Vega, Director, Labor Market Information, has determined that there is not a significant negative impact upon employment conditions in the state as a result of the rules.

Mary York, Director, Workforce Development 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 the rules will be to assist rural school districts and institutions of higher education in aligning workforce development and educational efforts with the needs of the local labor market.

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

#### **PART IV. COORDINATION ACTIVITIES**

SB 2448 requires TWC in consultation with the Texas Education Agency and the Texas Higher Education Coordinating Board, to establish and administer the Rural Workforce Development Grant Program.

#### **PART V. REQUEST FOR IMPACT INFORMATION**

TWC requests, from any person required to comply with the proposed rules or any other interested person, information related to the cost, benefit, or effect of the proposed rules, including any applicable data, research, or analysis. Please submit the requested information to [TWCPolicyComments@twc.texas.gov](mailto:TWCPolicyComments@twc.texas.gov) no later than April 20, 2026.

#### **PART VI. PUBLIC COMMENTS**

Comments on the proposed rules may be submitted to [TWCPolicyComments@twc.texas.gov](mailto:TWCPolicyComments@twc.texas.gov) and must be received no later than April 20, 2026.

#### **PART VII. STATUTORY AUTHORITY**

The new rules are proposed 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 proposed new 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.