

(d) Notwithstanding the use of funds restrictions in §803.3(d)(2), grant funds may also be used to acquire training equipment necessary for instructor certification and employment.

(e) As a condition of receiving grant funds under this section, grant recipients shall agree to repay the amount received and any related interest if the Agency determines that the grant recipients did not use the funds for the purposes for which the funds were awarded.

(f) The commission may solicit and accept gifts, grants and donations from any public or private source for the purpose of this section. Gifts exceeding \$500 must be accepted as prescribed by Section 301.021 of the Labor Code and Chapter 575 of the Texas Government Code. The Commission reserves the right to refuse any donation it deems unsuitable.

Commented [DC7]: Section 303.0031(f) states "The Commission may solicit and accept gifts, grants, and donations from any public or private source for the purpose of this section. Section 301.021 of the Labor Code and Chapter 575 of the Texas Government Code require acceptance or acknowledgement of the donation or gift in an open meeting and require that the name of the donor, the description of the donation or gift and the statement of the purpose

13 **SUBCHAPTER B. PROGRAM ADMINISTRATION**

14 **§803.11. Grant Administration.**

15 Grant recipients must enter into an agreement with the Agency to comply with contract
16 requirements that include, but are not limited to:

- 17 (1) submitting all required reports, including financial and performance reports, in
18 the format and time frame required by the Agency;
- 19 (2) maintaining fiscal data needed for independent verification of expenditures of
20 funds received for the customized training project;
- 21 (3) cooperating and complying with Agency monitoring activities as required by
22 Chapter 802, Subchapter D, of this title (relating to Agency Monitoring
23 Activities); and
- 24 (4) submitting contract completion reports:
 - 25 (A) The final payment is contingent upon the executive director's, or
26 designee's, determination that a project has met the training objectives,
27 outcomes, and requirements (an attrition rate of up to 15% of the total
28 number of trainees in the contract is allowed).

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(B) The final payment of the contract will be withheld for 60 days after the completion of training and after receipt by the Agency of verification from the employer that the trainees are employed.

§803.12. Limitations on Awards.

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

- (1) A limit of \$500,000 for the training project of a single employer ~~(delete limitation) and insert: The Executive Director may limit the award amount of any single employer project.~~
- (2) A limit of 10% of the grant amount for the allowable purchase of any proprietary or production equipment required for the training project;
- (3) A limit of 10% for administrative costs related to direct training for the training project of a single employer; or
- (4) A limit of 15% for administrative costs related to direct training for the training project of entities other than a single employer.

Commented [DC8]: Eliminate \$500,000 limit? Internal Audit stated they were waiving too often. \$500,000 limit has been there since inception of the program. Instead input and recommend that the Commission may limit the amount of training dollars.

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§803.13. Program Objectives.

The program objectives in administering the Skills Development Fund are:

- (1) ~~to~~ ensure that funds from the program are spent in **all areas** of this state and expand the state's capacity to respond to workforce training needs;
- (2) ~~to promote collaboration and awareness of potential workforce activities in workforce areas;~~
- (3) ~~to~~ develop projects that, at completion of the training, will result in wages equal to or greater than the prevailing wage of ~~individuals~~ with similar knowledge and experience in that occupation in the local labor market for the participants in the customized training project;
- (4) ~~to~~ prioritize the processing of grant requests from workforce areas where the unemployment rate is higher than the state's annual average unemployment rate;
- (5) ~~to~~ sponsor creation and attraction of high-value, high-skill jobs for the state that will facilitate the growth of industry and emerging occupations; ~~and~~
- (6) ~~to~~ the greatest extent practicable, award Skills Development Fund grants as follows:
 - (A) Approximately 60 ~~percent~~ of the funds may be for job retention training;

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(B) The remaining funds may be for training for job creation.

§803.14. Procedure for Requesting Funding.

(a) After obtaining the review and comments of the Board in the applicable workforce area(s), where there is a significant impact on job creation or incumbent worker training, a private partner or a trade union, together with a public community, public state college or technical college or TEEEX, shall present to the executive director, or designee, a proposal requesting funding for a customized training project or other appropriate use of the fund provided that a local workforce board is not competing for an SDF grant application that targets the same employers and the development of the same skills.

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(b) A local workforce board shall not submit an SDF grant application unless it certifies that no other qualified organization was reasonable available to fill the boards contemplated role in the grant.

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(c) A private partner or a trade union, together with a Board, public community, public state college or technical college, or TEEEX, shall present to the executive director, or designee, a proposal requesting funding for a customized training project or other appropriate use of the fund.

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significant impact on job creation or incumbent worker training.
a

(d) TEEEX, or the public community, public state college or technical college that is a partner to a training proposal for a grant from the Skills Development Fund, may be non-local.

Commented [DC10]: LIT, Lamar State College Orange, Lamar State College Port Arthur

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(e) Proposals shall disclose other grant funds sought or awarded from the Agency or other state and federal entities for the proposed job training project.

Commented [DC11]: Delete "The training proposal shall not duplicate a training project available in the workforce area in which the private partner or trade union is located" because there may be an issue in some areas due to not enough capacity i.e. LNG projects, SpaceX and Red River Steel in the RGV.

(f) Applicants shall indicate whether they are submitting concurrent proposals for the Skills Development Fund and the Texas Enterprise Fund. For the purposes of this subsection, "concurrent proposal" shall mean:

Deleted: (c) The training proposal shall not duplicate a training project available in the workforce area in which the private partner or trade union is located.

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(1) a proposal for the Skills Development Fund that has been submitted and is pending at the time an applicant submits a proposal for the Texas Enterprise Fund; or

(2) a proposal for the Texas Enterprise Fund that has been submitted and is pending at the time an applicant submits a proposal for the Skills Development Fund.

(g) Proposals shall be written and contain the following information:

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(1) The number of proposed jobs created and/or retained.

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(2) A brief outline of the proposed training project, including the skills acquired through training and the employer's involvement in the planning and design.

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- (3) A brief description of the measurable training objectives and outcomes
- (4) The occupation and wages for participants who complete the customized training project
- (5) A budget summary, disclosing anticipated project costs and resource contributions, including the dollar amount the private partner is willing to commit to the project
- (6) A signed agreement between the private partner or trade union and the [Board](#), public community or technical college, or TEEX outlining each entity's roles and responsibilities if a grant is awarded
- (7) A statement explaining the basis for the determination that there is an actual or projected labor shortage in the occupation in which the proposed training project will be provided that is not being met by an existing institution or program in the workforce area
- (8) A comparison of costs per trainee for the customized training project and costs for similar instruction at the public community or technical college, [TEEX](#), and [the Board](#)
- (9) A statement describing the private partner's or trade union's equal opportunity employment policy
- (10) A list of the proposed employment benefits
- (11) An indication of a concurrent proposal as required by subsection (e) of this section
- (12) Any additional information deemed necessary by the Agency to complete evaluation of a proposal

§803.15. Procedure for Proposal Evaluation.

- (a) The executive director, or designee, shall evaluate each proposal considering the purposes listed in §803.3(a) of this subchapter, the program objectives listed in §803.13 of this subchapter, and procedures in §803.14 of this subchapter, along with the prevailing wage for occupations in the local labor market area, the financial stability of the private partner, the regional economic impact, and any other factors unique to the circumstances that the Agency determines are appropriate.
- (b) The Agency shall notify [all eligible grant applicants](#) when the Agency is evaluating a proposal so as to [promote collaboration and awareness](#) of potential workforce activities in the workforce area.

1 (c) If the Agency determines that a proposal is appropriate for funding through the Skills
2 Development Fund, the executive director or designee shall enter into a contract with
3 the grant recipient on behalf of the Agency.

4 [\(d\) Skills Development Fund applicants on corrective action pursuant to Chapter 802,](#)
5 [Subchapter G, shall not be eligible to receive a Skills Development Fund grant.](#)

6 **SUBCHAPTER C. PROGRAM ADMINISTRATION AFTER AWARD OF CONTRACT**

7 **§803.31. Notice to Local Workforce Development Board.**

8 The Agency shall inform the Board in the applicable workforce area of final decisions
9 made regarding Skills Development Fund grants in the workforce area.

10 **§803.32. Waivers.**

11 The executive director, or designee, may suspend or waive a section of this chapter, not
12 statutorily imposed, in whole or in part upon a showing of good cause and a finding that
13 the public interest would be served by such a suspension or waiver.

