

1 **Policy Concept**
2 **Chapter 803, Skills Development Fund**
3 **Rule Project #2021-22-803 – SDF Grants Process Improvements**
4

5 **Introduction and Background**

6 In Fiscal Year 2021, the Texas Workforce Commission (TWC) implemented Skills Development Fund
7 (SDF) Contingent Proposals to respond quickly and to effectively assist in the COVID-19 recovery
8 effort by assisting Texas employers, including small businesses, to train and hire employees while
9 simultaneously aiding Texas workers in regaining employment and reducing the number of individuals
10 depending on unemployment assistance. The new process has proven to be successful in streamlining
11 the SDF approval process and shortening the grant development time by saving anywhere from 40 to 55
12 days. To be able to use this new process, the Outreach and Employer Initiatives Division developed a
13 rule waiver pursuant to 40 TAC §803.32 for approval by TWC's executive director. The proposed rule
14 will remove the need for a waiver and allow the use of the streamlined process moving forward.
15

16 Texas Government Code, §2001.039 requires that every four years each state agency review and
17 consider for re-adoption, revision, or repeal each rule adopted by that agency. The four-year rule review
18 of Chapter 803 is due by January 2023.
19

20 **Purpose for the Proposed Rule**

21 The purpose for this proposed rule is to amend Chapter 803 to streamline the grant proposal and
22 approval process. Additionally, the rules in Chapter 803 will be reviewed in accordance with Texas
23 Government Code, §2001.039.
24

25 **Rule Revisions Required by Federal Regulation or State Statute**

26 None
27

28 **Other Rule Revisions**

29 **Issue #1: Streamlining the Grant Proposal and Approval Process**

30 Currently, staff must use a waiver in order to utilize the streamlined grant process. Staff recommends
31 expanding the rules to allow for a new, streamlined grant process.
32

33 **Issue #2: Rule Review of Chapter 803**

34 In accordance with Texas Government Code, §2001.039, staff will review the rules in Chapter 803 to
35 ensure the reasons for adopting the rules continue to exist and align with current SDF program policy
36 and procedures.
37

38 **PC Decision Point**

39 Staff recommends amending Chapter 803 to expand the grant proposal and approval process to allow for
40 the streamlined method and reviewing the chapter in accordance with Texas Government Code,
41 §2001.039.