

1 **Rural Workforce Development Pilot Program**  
2 **Discussion Paper**

3 **Background**

4 Rural communities in Texas face significant challenges in workforce development. Geographical  
5 distances and limited access to broadband, healthcare, transportation, housing, and childcare  
6 hinder access to training and job opportunities. Rural community colleges and school districts  
7 often lack the resources to expand training programs, build private partnerships, and align  
8 training with local workforce needs. To overcome these hurdles, rural areas need assistance with  
9 grant applications, facility upgrades, partnership development, and aligning education with  
10 employer needs to address skills gaps.

11 **Issue**

12 The 89<sup>th</sup> Texas Legislature passed Senate Bill (SB) 2448, directing the Texas Workforce  
13 Commission (TWC), in consultation with the Texas Higher Education Coordinating Board and  
14 the Texas Education Agency, to develop the Rural Workforce Development Grant Program. The  
15 purpose of the Rural Workforce Development Grant Program in Texas is to address skills gaps  
16 and meet urgent workforce demands in rural areas of the state by providing grants to nonprofit  
17 organizations that will offer technical assistance and support to institutions of higher education  
18 and school districts located in rural areas. This will help align and deliver workforce training and  
19 higher education programs with the specific needs of those regions.

20 The passage and implementation of SB 2448 requires TWC to adopt rules for the administration  
21 of the program. Additionally, the Legislature did not appropriate funds for this program;  
22 therefore, funding would need to be identified from another source.

23 Many research institutions are considered non-profit organizations under the IRS definition.  
24 Engaging an eligible public or private research institution to develop a pilot program to assist  
25 community colleges and school districts in rural communities identify skill gaps, expand training  
26 programs and meet workforce demands by facilitating private partnerships, and align training  
27 with local workforce needs would provide a proof of concept for the Rural Workforce  
28 Development Grant Program, should funding become available.

29 **Decision Point**

30 We ask that staff engage an eligible research institution to develop a Rural Workforce  
31 Development Pilot Program using \$1 million in Workforce Innovation and Opportunity Act  
32 Statewide funds.