

**Rural Workforce Development Pilot Program
Discussion Paper**

Background

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

Issue

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

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

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

Decision Point

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