

### **Chapter 835. SELF-SUFFICIENCY FUND**

The Texas Workforce Commission (Commission) proposes amendments to §§835.1- 835.3 and 835.11, and proposes new §835.4, concerning the Self-Sufficiency Fund.

Part of the Commission's innovative system of workforce training and services throughout the State of Texas is the Self-Sufficiency Fund Program. One of the primary goals of the Commission is to prepare, place and retain individuals in employment. The Commission is also required by Texas Labor Code, §301.001(b), to meet the needs of the businesses of this state for the development of a highly skilled and productive workforce as well as meeting the needs of the workers of this state for education and skills. The Commission is specifically directed to assist individuals in making the transition into the workforce from public assistance. The 75th Legislature in House Bill 1 (1997) had directed the Commission to develop a Self-Sufficiency Fund to work with employers and training organizations to provide training for targeted employment for Temporary Assistance for Needy Families (TANF) recipients as a strategy to increase long-term success in retention of employment by those TANF recipients. The 76th Legislature in House Bill 343 (1999) had added changes to the provisions applicable to the Self-Sufficiency Fund.

It is the goal of the Commission for all participants entering a training program under the Self-Sufficiency Fund to successfully complete the program and become self sufficient. However, a successful completion rate of 85% of the individuals enrolled in a project will be considered to be acceptable performance under a Self-Sufficiency Fund contract. In extraordinary circumstances, the Director may authorize a completion rate of less than 85% because of the special circumstances of the project funded.

In response to the passage of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) enacted in 1996, the Administration for Children and Families (ACF) has issued final regulations for the TANF program. These regulations are based in part on the following principles: (1) Welfare reform should help people transition from welfare to work; (2) Welfare should be a short-term transitional experience, not a way of life; (3) Parents -- both custodial and noncustodial -- should receive the benefits necessary to help their families in the transition from welfare to work; (4) Solutions to poverty and welfare dependency should not be "one-size fits all;" and (5) Federal and state government should focus less attention on eligibility determinations and place more emphasis on program results. In light of these principles, it is the intent of the commission to make programs, such as the Self-Sufficiency Fund, available to as many persons as possible. The Commission intends that not only TANF recipients but also those individuals at risk of becoming dependent on public assistance be eligible for services under the Self-Sufficiency Fund. The Commission welcomes any comments, during the comment period, concerning its intention to make those services available to as many persons as possible.

The proposed amendments and new rule describe the operation of the Self-Sufficiency Fund and implement the provisions of the recent legislation.

Randy Townsend, Director of Finance, has determined that for each year of the first five years the amendments and new rule 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 amendments and new rule;

There are no estimated reductions in costs to the state and to local governments as a result of enforcing or administering the amendments and new rule;

There are no estimated losses or increases in revenue to the state or to local governments as a result of enforcing or administering the amendments and new rule;

There are no foreseeable implications relating to costs or revenue of the state or local governments as a result of enforcing or administering the amendments and new rule; and

There are no anticipated economic costs to persons required to comply with the amendments and new rule.

Mr. Townsend has also determined that there is no anticipated adverse impact on small businesses as a result of enforcing or administering the amendments and new rule because small businesses are not regulated by or required to do anything by these rules.

Mark Hughes, Director of Labor Market Information, has determined that there is no significant negative impact upon employment conditions in this state as a result of these amendments and new rule.

Mike Sheridan, Executive Director, has determined that for each year of the first five years the amendments and new rule are in effect, the public benefit anticipated as a result of enforcing the amendments and new rule will be to help TANF recipients and persons eligible for TANF support services receive training leading to a job which allows them to become and remain independent of financial assistance.

Comments on the proposal may be submitted to Richard Hall, Director of Business Services, Texas Workforce Commission, Texas Workforce Commission Building, 101 East 15th Street, Room 504DT, Austin, Texas 78778,

(512) 463-8844. Comments may also be submitted via fax to (512) 463-9742 or e-mailed to: rhall@twc.state.tx.us. Comments must be received by the Commission within 30 days from the date of the publication in the *Texas Register*.

Subchapter A. GENERAL PROVISIONS REGARDING THE SELF-SUFFICIENCY FUND

**40 TAC §§835.1 - 835.4**

The amendments and new rule are proposed under Texas Labor Code, §301.061 and §302.002, which provide the Texas Workforce Commission with the authority to adopt, amend, or repeal such rules as it deems necessary for the effective administration of this Act.

The proposed amendments and new rule affect Texas Labor Code, Chapter 302, particularly §302.002 and §302.021, and Chapter 309.

*§835.1. Purpose and Goal.*

(a) The purpose of the Self-Sufficiency Fund is to provide training for targeted employment opportunities for Temporary Assistance for Needy Families (TANF) recipients as well as those individuals at risk of becoming dependent on public assistance.

(b) The goal of the fund is to help TANF recipients as well as those individuals at risk of becoming dependent on public assistance receive training leading to a job which allows them to become and remain independent of financial assistance provided under Texas Human Resources Code, Chapters 31 and 33.

(c) The goal of the fund may also be accomplished by providing funds for support services as necessary for participants to prepare for and participate in training activities and to make the transition from training activities to employment.

*§835.2. Definitions.*

The following words and terms, when used in this chapter, shall have the following meanings, unless the context clearly indicates otherwise.

(1) (No change.)

(2) Community-based organization (CBO)-- A private nonprofit organization that is representative of a community or a significant segment of a community and that provides education, vocational education or rehabilitation, job training, or internship services or programs. The term includes a neighborhood group or corporation, union-related organization, employer-related organization, faith-based organization, tribal government, or organization serving Native Americans. [~~A private nonprofit organization which provides for education, vocational education, rehabilitation, job training, or internship services and programs and includes development corporations, union-related organizations, faith-based organizations and employer-related organizations.~~] The CBO must be certified as a 501(c) (3) [ ~~3~~] nonprofit organization under the IRS Code of 1986, as amended. A CBO providing services which are regulated by the state must provide evidence of required certification, license or registration.

(3)-(14) (No change.)

*§835.3. Uses of the Fund.*

(a) The Self-Sufficiency Fund may be used by a public community or technical college, community-based organization, or Extension Service for the following job-training purposes:

(1) to develop customized job training projects for individuals who are recipients of financial assistance under Texas Human Resources Code, Chapter 31 or who are at risk of becoming dependent on public assistance;

(2)-(3) (No change.)

(b)-(c) (No change.)

*§835.4. Waivers.*

The executive director may suspend or waive a section of this chapter, not statutorily imposed, in whole or in part upon a showing of good cause and a finding that the public interest would be served by such a suspension or waiver. For purposes of this section, the executive director, and not a designee of the executive director, is the only person who may approve a waiver.

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

Filed with the Office of the Secretary of State, on December 2, 1999.

TRD-9908254

J. Randel (Jerry) Hill

General Counsel

Texas Workforce Commission

Earliest possible date of adoption: January 16, 2000

For further information, please call: (512) 463-8812

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Subchapter B. PROJECT ADMINISTRATION

**40 TAC §835.11**

The amendment is proposed under Texas Labor Code, §301.061 and §302.002, which provide the Texas Workforce Commission with the authority to adopt, amend, or repeal such rules as it deems necessary for the effective administration of this Act.

The proposed amendment affects Texas Labor Code, Chapter 302, particularly §302.002 and §302.021, and Chapter 309.

*§835.11. Project Objectives.*

The objectives of the Self-Sufficiency Fund are

(1) to provide training for targeted employment to allow TANF recipients as well as those individuals at risk of becoming dependent on public assistance to achieve self-sufficiency;

(2)-(3) (No change.)

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

Filed with the Office of the Secretary of State, on December 2, 1999.

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