

1 **CHAPTER 835. SELF-SUFFICIENCY FUND**

2
3 **ADOPTED RULES TO BE PUBLISHED IN THE *TEXAS REGISTER*. THIS**
4 **DOCUMENT WILL HAVE NO SUBSTANTIVE CHANGES BUT IS SUBJECT TO**
5 **FORMATTING CHANGES AS REQUIRED BY THE OFFICE OF THE SECRETARY**
6 **OF STATE.**

7
8 **ON AUGUST 23, 2022, THE TEXAS WORKFORCE COMMISSION ADOPTED THE**
9 **RULES BELOW WITH PREAMBLE TO BE SUBMITTED TO THE *TEXAS REGISTER*.**

10
11 Publication Date of the Adoption in the *Texas Register*: **September 9, 2022**

12 The Rules are Effective: **September 12, 2022**

13
14 The Texas Workforce Commission (TWC) adopts amendments to the following sections of
15 Chapter 835, relating to the Self-Sufficiency Fund:

- 16 Subchapter A. General Provisions Regarding the Self-Sufficiency Fund, §§835.1 - 835.3
- 17 Subchapter B. Project Administration, §§835.11, 835.13, and 835.14
- 18 Subchapter C. Project Administration After Award of Contract, §835.31 and §835.33

19
20
21 The amendments to §§835.1 - 835.3, 835.11, 835.13, 835.14, and 835.31 - 835.33 are adopted
22 *without changes*, to the proposed text as published in the July 1, 2022, issue of the *Texas*
23 *Register* (47 TexReg 3788), and the adopted rule text will not be published.

24
25 **PART I. PURPOSE, BACKGROUND, AND AUTHORITY**

26 TWC's Chapter 835 Self-Sufficiency Fund rules provide the structure and administrative
27 procedures for the Self-Sufficiency Fund, administered by TWC. TWC's three-member
28 Commission adopted the rules in 2003, in their present form, to establish and operate the Self-
29 Sufficiency Fund. The 87th Texas Legislature, Regular Session (2021), passed Senate Bill (SB)
30 770 to amend Texas Labor Code, §309.002(a) to specify eligibility as "individuals who are
31 identified by the commission as being low-income or at risk of becoming dependent on public
32 assistance benefits."

33
34 Texas Government Code, §2001.039, requires that every four years each state agency review and
35 consider for re-adoption, revision, or repeal each rule adopted by that agency. TWC reviewed the
36 rules in Chapter 835 and determined that the rules are needed, reflect current legal and policy
37 considerations, and reflect current TWC procedures. The reasons for initially adopting the rules
38 continue to exist and any changes to the rules are described in Part II of this preamble.

39
40 **PART II. EXPLANATION OF INDIVIDUAL PROVISIONS**

41
42 **SUBCHAPTER A. GENERAL PROVISIONS REGARDING THE SELF-SUFFICIENCY**
43 **FUND**

44 TWC adopts the following amendments to Subchapter A:

45
46 **§835.1. Purpose and Goal**

1 Section 835.1(a) states the purpose of the Self-Sufficiency Fund is to "provide training for
2 targeted employment opportunities primarily for adult Temporary Assistance for Needy Families
3 (TANF) recipients as well as those individuals at risk of becoming dependent on public
4 assistance." TWC amends the purpose to "provide training for targeted employment
5 opportunities for individuals who are identified as low-income, youth up to the age of 24 who are
6 part of a low-income family, or individuals at risk of becoming dependent on public assistance,"
7 to align the section with Texas Labor Code, §309.002(a).

8
9 Section 835.1(b) states the goal of the Self-Sufficiency Fund is to "help primarily adult TANF
10 recipients as well as those individuals at risk of becoming dependent on public assistance." TWC
11 amends the goal to "help individuals who have been identified as low-income, youth up to the
12 age of 24 who are part of a low-income family, or individuals at risk of becoming dependent on
13 public assistance" to align the section with Texas Labor Code, §309.002(a).

14 **§835.2. Definitions**

15 TWC removes the definitions for "Customized job training project," "Texas Engineering
16 Extension Service (TEEX)," and "Private partner," because those definitions are no longer
17 applicable to Chapter 835.

18
19
20 New §835.2(1) defines "Business partner" as "an individual, sole proprietorship, partnership,
21 corporation, or association." The remaining paragraphs are renumbered accordingly.

22
23 Renumbered §835.2(5) is amended to align the definition with revisions in the chapter; and
24 remove the set income limit of "annual wages are at or below \$37,000" and replace with
25 language on the process for the Commission to establish the income limit.

26
27 New §835.2(6) defines "Low-income" as an individual whose family:
28 --receives any one of the following benefits: Temporary Assistance for Needy Families (TANF);
29 Supplemental Nutrition Assistance Program; Children's Health Insurance Program; or income-
30 based subsidized child care through the Child Care and Development Fund;
31 --is eligible for or receives subsidized public housing assistance;
32 --participates in the United States Department of Agriculture Food and Nutrition Service's
33 Special Supplemental Nutrition Program for Women, Infants and Children program; or free or
34 reduced-cost school lunch based on income;
35 --is eligible for, or enrolled in, Workforce Innovation and Opportunity Act youth services; or
36 --income does not exceed the income limit established by the Commission.

37
38 New §835.2(7) defines "Participant" as an individual who meets the eligibility criteria to engage
39 in the Self-Sufficiency Fund's training program by being either low-income, at risk of becoming
40 dependent on public assistance, or a youth up to the age of 24 who is a part of a low-income
41 family.

42 **§835.3. Uses of the Fund**

43 Section 835.3(a)(1) states a purpose of the Self-Sufficiency Fund is to develop "customized job
44 training projects for adult TANF recipients or individuals who are at risk of becoming dependent
45

1 on public assistance." TWC amends the purpose to develop training projects in which
2 participants, as defined by new §835.2(7), are provided job training by:
3 --an entity that develops a job-training program under Texas Labor Code, §309.002;
4 --a small- or medium-sized business or trade union; or
5 --an informal partnership between an entity that develops a job-training program under §835.3
6 and a small- or medium-sized business network.

7
8 The training purpose defined in §835.3(a)(2) is removed, as it is no longer applicable to Chapter
9 835. The subsequent paragraph is renumbered accordingly.

10
11 Section 835.3(c) specifies that the Self-Sufficiency Fund may not be used for purchase of any
12 equipment for the training project of "a single employer." TWC amends §835.3(c) to remove "a
13 single employer" from the rule to better align with the updated program structure.

14
15 **SUBCHAPTER B. PROJECT ADMINISTRATION**

16 TWC adopts the following amendments to Subchapter B:

17
18 **§835.11. Project Objectives**

19 Section 835.11(1) states an objective of the Self-Sufficiency Fund is to "provide training for
20 targeted employment to allow adult TANF recipients as well as those individuals at risk of
21 becoming dependent on public assistance to achieve self-sufficiency." TWC amends the
22 objective to provide training for targeted employment to allow "individuals identified as low-
23 income, youth up to the age of 24 who are part of a low-income family, or individuals at risk of
24 becoming dependent on public assistance benefits to achieve self-sufficiency," to align the rule
25 with Texas Labor Code, §309.002.

26
27 New §835.11(3) states an objective of the Self-Sufficiency Fund is to develop projects that place
28 individuals in positions of employment in career pathways or employment in local workforce
29 development areas in which participants will earn wages sufficient to enable them to become
30 independent of, or to avoid becoming dependent on, public assistance benefits to align Chapter
31 835 with the updated program structure.

32
33 Existing §835.11(3) and (4) are removed because the stated objectives are no longer applicable
34 to Chapter 835. Subsequent paragraphs are renumbered accordingly.

35
36 Renumbered §835.11(5) states an objective of the Self-Sufficiency Fund is to develop projects
37 that result in employment benefits for the participants in the "customized training project." TWC
38 removes "customized" from "customized training project," as it is no longer applicable to
39 Chapter 835.

40
41 Renumbered §835.11(6) states an objective of the Self-Sufficiency Fund is to develop projects
42 that include contributions from other resources, including private partners, that are "committed to
43 the customized job training project." TWC amends this objective to develop projects that include
44 contributions from other resources, including the private partners, that "are supporting the
45 training project," to better align Chapter 835 with the updated program structure.

1 Renumbered §835.11(7) states an objective of the Self-Sufficiency Fund is to develop projects
2 that result in the greatest economic benefit to the public, in the form of "enhanced worker skills
3 and positive economic impact within the local community for each dollar invested in worker
4 training." TWC amends the economic benefit to the public to "enhanced occupational skills and
5 positive economic impact within the local community," to better align Chapter 835 with the
6 updated program structure.
7

8 **§835.13. Limitations on Awards**

9 Section 835.13(1) sets a monetary limit for the "training needs of a single employer." TWC
10 amends the monetary limit to be for "training projects," to better align Chapter 835 with the
11 updated program structure.
12

13 Section 835.13(2) sets a monetary limit of 10 percent of the grant award for "propriety or
14 production equipment required for the training project for a consortium of employers." TWC
15 amends the monetary limit to be set for "nonproprietary equipment required for the training
16 project" and removes "proprietary or production" and "consortium of employers" to better align
17 Chapter 835 with the updated program structure.
18

19 New §835.13(3) is added to set an administrative cost monetary limit related to direct training
20 needs, as defined in the grant contract, to better align Chapter 835 with the updated program
21 structure.
22

23 The limits set in §835.13(3) and (4) are removed, because the limits are no longer applicable to
24 the Self-Sufficiency Fund program.
25

26 **§835.14. Procedure for Requesting Funding**

27 Section 835.14(a) outlines the first steps for a private partner, together with a community or
28 technical college, community-based organization, state extension service, or TEEX and any other
29 training provider to present a proposal request for funding. TWC removes "prospective private
30 partner" and "TEEX" from the list of entities available to request funding.
31

32 Section 835.14(c) outlines the requirements for the contents of the proposal. TWC amends
33 language throughout the subsection to align Chapter 835 with the updated program structure.
34

35 **SUBCHAPTER C. PROJECT ADMINISTRATION AFTER AWARD OF CONTRACT**

36 TWC adopts the following amendments to Subchapter C:
37

38 **§835.31. Grant Recipient's Responsibilities**

39 Section 835.31(a) outlines the grant recipient's responsibilities, after the contract is awarded, to
40 submit financial and performance reports, "in cooperation with the private partner and any
41 separate training provider." TWC adopts that the grant recipient shall serve as the fiscal agent
42 and submit financial and performance reports and removes the requirement to work in
43 cooperation with partners or training providers, as it is no longer applicable to the Self -
44 Sufficiency Fund program.
45

1 Section 835.31(b) states that the grant recipient shall maintain fiscal data needed for verification
2 of expenditures of funds received for the "customized job training project." TWC removes
3 "customized job" from "customized job training project," as it is no longer applicable to the Self-
4 Sufficiency Fund program. TWC also amends the time to maintain the fiscal data needed for
5 verification of expenditures of funds received from three years to seven years after termination of
6 the contract.

7
8 **§835.33. Contract Payment**

9 Section 835.33 gives the executive director the ability to allow an "attrition rate of 15% based on
10 the total number of trainees as outlined in the contract." The specific attrition rate percentage is
11 removed to align Chapter 835 with the updated program structure.

12
13 TWC hereby certifies that the adoption has been reviewed by legal counsel and found to be
14 within TWC's legal authority to adopt.

15
16 **PART III. PUBLIC COMMENTS**

17 The public comment period ended on August 1, 2022, and no comments were received.

18
19 **PART IV. STATUTORY AUTHORITY**

20 The rules are adopted under Texas Labor Code, §301.0015 and §302.002(d), which provide
21 TWC with the authority to adopt, amend, or repeal such rules as it deems necessary for the
22 effective administration of TWC services and activities; Texas Labor Code, §309.002, which
23 provides TWC with the authority to adopt rules to identify individuals who are low-income or at
24 risk of becoming dependent on public assistance benefits and are eligible to participate in the
25 Self-Sufficiency Fund program; and in accordance with Texas Government Code, §2001.039,
26 which requires that every four years each state agency review and consider for re-adoption,
27 revision, or repeal each rule adopted by that agency.

28
29 The adopted rules implement SB 770, which amended Texas Labor Code, §309.002(a).
30

1 **CHAPTER 835. SELF-SUFFICIENCY FUND**

2
3 **SUBCHAPTER A. GENERAL PROVISIONS REGARDING THE SELF-SUFFICIENCY**
4 **FUND**

5
6 **§835.1. Purpose and Goal.**
7

- 8 (a) The purpose of the Self-Sufficiency Fund is to provide training for targeted
9 employment opportunities for individuals who are identified as low-income, youth
10 up to the age of 24 who are part of a low-income family, or individuals at risk of
11 becoming dependent on public assistance.
12
- 13 (b) The goal of the fund is to help individuals who have been identified as low-income,
14 youth up to the age of 24 who are part of a low-income family, or individuals at risk
15 of becoming dependent on public assistance to receive training leading to a job that
16 allows them to become and remain independent of financial assistance provided
17 under Texas Human Resources Code, Chapter 31.
18
- 19 (c) Priority shall also be given to proposals containing evidence of established referral
20 procedures or agreements with Board contractors, Workforce Solutions Offices, or
21 other entities.
22
- 23 (d) The goal of the Self-Sufficiency Fund may also be accomplished by providing funds
24 for support services as necessary for participants to prepare for and participate in
25 training activities and to make the transition from training activities to employment.
26

27 **§835.2. Definitions.**
28

29 The following words and terms, when used in this chapter, shall have the following
30 meanings, unless the context clearly indicates otherwise.
31

- 32 (1) Business Partner--An individual, sole proprietorship, partnership, corporation,
33 or association.
34
- 35 (2) Community-based organization (CBO)--A private nonprofit organization that
36 is representative of a community or a significant segment of a community and
37 that provides education, vocational education or rehabilitation, job training, or
38 internship services or programs. The term includes a neighborhood group or
39 corporation, union-related organization, employer-related organization, faith-
40 based organization, tribal government, or organization serving Native
41 Americans. The CBO must be certified as a 501(c)(3) nonprofit organization
42 under the IRS Code of 1986, as amended. A CBO providing services, which
43 are regulated by the state, must provide evidence of required certification,
44 license, or registration.
45

- 1 (3) Executive director--The executive director of the Texas Workforce
2 Commission.
3
- 4 (4) Grant recipient--A public community or technical college, CBO, or state
5 extension service awarded a grant from the Self-Sufficiency Fund.
6
- 7 (5) Individual at risk of becoming dependent on public assistance--An individual
8 who is a member of a Supplemental Nutrition Assistance Program (SNAP)
9 benefits household with dependent children, a youth up to the age of 24 who is
10 a part of a low-income family, or a parent, including a noncustodial parent,
11 whose income does not exceed the income limit established by the
12 Commission. To establish the income limit, the Commission will consider the
13 Temporary Assistance for Needy Families (TANF) and SNAP income limits,
14 and other relevant data, including economic indicators such as the state
15 unemployment rate and inflation. The Commission may periodically review the
16 income limit established and may update the level as necessary to reflect
17 changes in the economic conditions in the state and the factors used to establish
18 the income limit.
19
- 20 (6) Low-income--An individual whose family:
21
- 22 (A) receives any one of the following benefits:
23
- 24 (i) TANF;
25
- 26 (ii) SNAP;
27
- 28 (iii) Children's Health Insurance Program; or
29
- 30 (iv) income-based subsidized child care through the Child Care and
31 Development Fund;
32
- 33 (B) is eligible for or receives subsidized public housing assistance;
34
- 35 (C) participates in:
36
- 37 (i) the United States Department of Agriculture Food and Nutrition
38 Service's Special Supplemental Nutrition Program for Women,
39 Infants and Children program; or
40
- 41 (ii) free or reduced-cost school lunch based on income;
42
- 43 (D) is eligible for, or enrolled in, Workforce Innovation and Opportunity Act
44 youth services; or
45

1 (E) income does not exceed the income limit established by the Commission.
2 To establish the income limit, the Commission will consider the TANF
3 and SNAP income limits, and other relevant data, including economic
4 indicators such as the state unemployment rate and inflation. The
5 Commission may periodically review the income limit established and
6 may update the level as necessary to reflect changes in the economic
7 conditions in the state and the factors used to establish the income limit.
8

9 (7) Participant--An individual who meets the eligibility criteria to engage in the
10 Self-Sufficiency Fund's training program by being either low-income, at risk of
11 becoming dependent on public assistance, or a youth up to the age of 24 who is
12 a part of a low-income family.
13

14 (8) Public community college--A state-funded two-year educational institution
15 primarily serving its local taxing district and service area in Texas and offering
16 vocational, technical, and academic courses for certification or associate
17 degrees.
18

19 (9) Public technical college--A state-funded coeducational institution of higher
20 education offering courses of study in vocational and technical education, for
21 certification or associate degrees.
22

23 (10) Self-Sufficiency--Employment with wages reasonably calculated to make the
24 employee independent of financial assistance under Texas Human Resources
25 Code, Chapter 31.
26

27 (11) State extension service--An education service that provides technical and
28 vocational training and is sponsored by a higher education agency regulated by
29 the Texas Higher Education Coordinating Board.
30

31 (12) TANF recipient--An individual who receives financial assistance under Texas
32 Human Resources Code, Chapter 31.
33

34 (13) Trade union--An organization, agency, or employee committee, in which
35 employees participate and which exists for the purpose of dealing with
36 employers concerning grievances, labor disputes, wages, pay rates,
37 employment hours, or work conditions.
38

39 (14) Training provider--Any public community or technical college, CBO, or state
40 extension service that provides training; or any individual, sole proprietorship,
41 partnership, corporation, association, consortium, governmental subdivision, or
42 public or private organization with whom a public community or technical
43 college, CBO, or state extension service has subcontracted to provide training.
44

1 **§835.3. Uses of the Fund.**
2

- 3 (a) The Self-Sufficiency Fund may be used by a public community or technical college,
4 CBO, or state extension service:
5
6 (1) to develop training projects in which participants, as defined by §835.2(7) of
7 this chapter, are provided job training by:
8
9 (A) an entity that develops a job-training program under Texas Labor Code,
10 §309.002;
11
12 (B) a small- or medium-sized business or trade union; or
13
14 (C) an informal partnership between an entity that develops a job-training
15 program under this section and a small- or medium-sized business
16 network; and
17
18 (2) for support services, deemed reasonable and necessary by the Agency, for
19 participants to prepare and participate in training activities and to make the
20 transition from training activities to employment.
21
22 (b) Only those support services specifically described in a contract under this section
23 may be charged to a contract funded with Self-Sufficiency Fund monies.
24
25 (c) The Self-Sufficiency Fund may not be used for the purchase of any proprietary or
26 production equipment for the training project.
27

28 **SUBCHAPTER B. PROJECT ADMINISTRATION**
29

30 **§835.11. Project Objectives.**
31

32 The objectives of the Self-Sufficiency Fund are to:
33

- 34 (1) provide training for targeted employment to allow individuals identified as
35 low-income, youth up to the age of 24 who are part of a low-income family, or
36 individuals at risk of becoming dependent on public assistance benefits to
37 achieve self-sufficiency;
38
39 (2) the extent practicable, provide Self-Sufficiency Fund services in all areas of
40 the state;
41
42 (3) develop projects that place individuals in a position of employment that is on a
43 career pathway or in employment in local workforce development areas in
44 which participants will earn wages sufficient to enable them to become
45 independent of, or to avoid becoming dependent on, public assistance benefits;
46

- 1 (4) collaborate with Board contractors, Workforce Solutions Offices, or other
2 entities to establish referrals of eligible trainees;
- 3
- 4 (5) develop projects that at the completion of training will result in employment
5 benefits, including medical insurance, for training project participants;
- 6
- 7 (6) develop projects that include contributions from other resources, including the
8 business partners, that are supporting the training project; and
- 9
- 10 (7) develop projects that at completion of the training will result in the greatest
11 economic benefit to the public, in the form of enhanced occupational skills and
12 positive economic impact within the local community.
- 13

14 **§835.13. Limitations on Awards.**

15
16 The Agency may impose any or all of the following limitations on the funds awarded
17 under any specific grant:

- 18 (1) a limit of \$500,000 for training projects;
- 19
- 20 (2) a limit of 10 percent of the grant award for the allowable purchase of any
21 nonproprietary equipment required for the training project; and
- 22
- 23 (3) a limit of the grant award for administrative costs related to direct training
24 needs, as defined in the grant contract.
- 25

26
27 **§835.14. Procedure for Requesting Funding.**

- 28
- 29 (a) After obtaining the Board's review and comments in the applicable local workforce
30 development areas, a public community or technical college, CBO, state extension
31 service, or any other training provider, shall present to the executive director, or his
32 or her designee, a joint proposal requesting funding for a project that meets Self -
33 Sufficiency Fund objectives.
- 34
- 35 (b) The proposal shall contain evidence of established referral procedures or agreements
36 with Board contractors, Workforce Solutions Offices, or other entities for referral of
37 eligible trainees.
- 38
- 39 (c) Proposals shall be written and contain the following information:
 - 40
 - 41 (1) The number of trainees to be trained and placed in related employment;
 - 42
 - 43 (2) A summary of the proposed training project, including:
 - 44
 - 45 (A) a description of how the applicant determined industry training needs;
 - 46

- 1 (B) skills to be taught;
2
3 (C) strategies for successfully meeting the needs of eligible trainees; and
4
5 (D) a list of the measurable training objectives and outcomes, including the
6 industry-based certifications that trainees will receive upon completion;
7
8 (3) A budget summary identifying all sources of funding for the project and
9 specifying the amount requested from the Self-Sufficiency Fund;
10
11 (4) A completed checklist of information on the training provider's financial
12 management system;
13
14 (5) Names of the entities that will provide support services to project participants
15 and a description of the services they will provide, including an explanation of
16 why the support services are necessary for the trainees, and a description of
17 how the services provided will prepare the trainees for employment;
18
19 (6) A description of how the proposed training will link participants to employers
20 upon completion, including a career pathway with a timeline and wage data to
21 show how the proposed training will enable participants to become
22 independent or avoid becoming dependent on public assistance benefits; and
23
24 (7) Any other factors unique to the circumstances of the project that should be
25 considered.
26

27 **SUBCHAPTER C. PROJECT ADMINISTRATION AFTER AWARD OF CONTRACT**

28 **§835.31. Grant Recipient's Responsibilities.**

- 29
30
31 (a) The grant recipient shall serve as fiscal agent, shall administer the contract, and
32 submit financial and performance reports to the Agency as specified in the contract.
33
34 (b) The grant recipient shall maintain fiscal data needed for independent verification of
35 expenditures of funds received for the training project for seven years after the
36 termination of the contract.
37
38 (c) All requests for contract amendments must be made in writing by the grant recipient.
39 Contract amendments must be written and must be executed by the executive
40 director, or his or her designee, before the implementation of a change to the
41 contract.
42
43 (d) The grant recipient shall cooperate with and comply with the Agency monitoring
44 activities as required by Chapter 802, Subchapter D of this title.
45

- 1 (e) The grant recipient shall submit all required reports in electronic format required by
2 the Agency unless otherwise approved by the Agency.
3

4 **§835.33. Contract Payment.**
5

- 6 (a) Payment under a contract will be contingent upon the executive director's, or his or
7 her designee's, determination that the project has met the training objectives,
8 outcomes, and requirements specified in the contract.
9

- 10 (b) The final payment of the grant amount will be withheld for 60 days after the
11 completion of training and after receipt by the Agency of verification that the
12 trainees are employed in jobs leading to self-sufficiency.
13

- 14 (c) The executive director, or his or her designee, may allow an attrition rate, as
15 specified in the contract, based on the total number of trainees.