

PART XX. Texas Workforce Commission

CHAPTER 835. Self-Sufficiency Fund

The Texas Workforce Commission (the Commission) proposes new §§835.1-835.3, §§835.11-835.15, and §§835.31-835.33, concerning the establishment and operation of the Self-Sufficiency Fund.

The Commission is implementing a new and innovative system of workforce training and services throughout the State of Texas. One aspect of this new system is the Self-Sufficiency Fund. The cooperation of and input from all interested parties is essential to ensure the success of this endeavor. The Commission welcomes comments regarding the Self-Sufficiency Fund from all interested parties.

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. Texas Labor Code, §302.021(a) placed under the authority of the Commission employment programs under Texas Human Resources Code, Chapter 31 and the Job Opportunities and Basic Skills program under Social Security Act Part F Subchapter IV (42 U.S.C. §682). 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) has 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 prospective private partner and the proposed training provider will seek input from the Local Workforce Development Board before completing an application for funding from 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.

The proposed rules describe the operation of the Self-Sufficiency Fund. Section 835.1 states the purpose and goal of the Self-Sufficiency Fund is to aid in the transition of TANF recipients to the workforce. Section 835.2 defines the terms used in the rules. Section 835.3 lists the uses of the fund including the development of customized training plans and necessary support services. Section 835.11 lists the project objective of providing training for TANF recipients through programs throughout the state in order to meet required TANF participation rates. Section 835.12 provides that the fund will be administered by the Commission. Section 835.13 lists the possible limitations on funds awarded. Section 835.14 describes the procedure to be used in making an application for a Self-Sufficiency Fund award. Section 835.15 describes the procedure to be used by the Commission in evaluating the proposals submitted. Section 835.31 lists the responsibilities of a grant recipient of a Self-Sufficiency Fund award. Section 835.32 lists the reports which must be filed by the grant recipient. Section 835.33 describes the requirements which must be met in order to obtain payment on a Self-Sufficiency Fund contract.

Randy Townsend, Director of Finance, has determined that for the first five-year period the rules are in effect, there will be no fiscal implications for state or local government as a result of enforcing or administering the proposed Self-Sufficiency Fund rules. Mr. Townsend has certified that there will be no foreseeable impact on local economies or overall employment as a result of enforcing or administering the proposed Self-Sufficiency Fund rules.

Mr. Townsend also has determined that for each of the first five years the rules are in effect, the public benefit anticipated as a result of enforcing the rules will be the provision of necessary job training to TANF recipients. There is no anticipated adverse impact on small business as a result of enforcing or administering the proposed Self-Sufficiency Fund rules. There are no anticipated economic costs to persons who are required to comply with the rules as proposed. All official comments submitted to Richard Hall, Director of Business Services, will be considered before the final rules are adopted. Comments on the proposed rules may be submitted to Richard Hall, Director of Business Services, Texas Workforce Commission Building, 101 East 15th Street, Room 504T, Austin, Texas 78778, (512) 463-8844. Comments may also be submitted via fax to Mr. Hall at (512) 463-2799 or e-mailed to: rhall@twc.state.tx.us. Comments must be received by the Commission by November 3, 1997 for consideration.

SUBCHAPTER A. General Provisions Regarding the Self-Sufficiency Fund 40 TAC 835.1-835.3

The new rules are proposed under Texas Labor Code, §301.061, which provides the Texas Workforce Commission with the authority to adopt, amend, or rescind such rules as it deems necessary for the effective administration of this Act. The proposed rules affect Texas Labor Code, Chapter 302, particularly §302.002 and §302.021.

§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.

(b) The goal of the fund is to help TANF recipients 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.

§835.2. Definitions.

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

Commission--The Texas Workforce Commission or an employee or employees designated by the Director to administer the Self-Sufficiency Fund.

Community-based organization (CBO)--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 nonprofit organization under the IRS Code of 1986. A CBO providing services which are regulated by the state must provide evidence of required certification, license or registration. Customized job training project--A project designed by a prospective private partner or trade union in partnership with a public community or technical college, extension service, or community-based organization for the purpose of providing specialized workforce training to prospective employees of the prospective private partner or members of the trade union with the intent of expanding the workforce.

Director--The Executive Director of the Texas Workforce Commission or the Executive Director's designee.

Extension service--A higher education agency and service established by the Board of Regents of the Texas A&M University System.

Grant recipient--A public community or technical college, community-based organization, or the extension service awarded a grant from the Self-Sufficiency Fund.

Local Workforce Development Board (Board)--A Local Workforce Development Board

as created under the Workforce and Competitiveness Act and certified by the Governor as provided for in Texas Government Code, §2308.261. In a Local Workforce Development Area for which a Board has not been certified, the Commission or an entity operating a career center in that area may assume the responsibilities of a Board under this chapter.

Prospective private partner--A person, sole proprietorship, partnership, corporation, association, consortium, or private organization which submits a joint proposal for a customized job training project in partnership with a public community or technical college, a community-based organization, or extension service.

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

Public technical college--A state funded coeducational institution of higher education offering courses of study in vocational and technical education, for certification or associate degrees.

Self-Sufficiency--Employment with wages reasonably calculated to make the employee independent of financial assistance under Texas Human Resources Code, Chapters 31 and 33.

TANF recipient--A person who receives financial assistance under Texas Human Resources Code, Chapter 31.

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

Training provider--A public community or technical college, community-based organization, or extension service which provides training.

§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;
- (2) to develop customized job training projects for prospective private partners, trade unions, and small and medium-sized business consortiums participating in projects which receive funding; and
- (3) for support services, deemed reasonable and necessary by the Commission for participants to prepare and participate in training activities and to make the transition from training activities to employment.

(b) Only those support services specifically described in a contract under this subsection may be charged to a contract funded with Self-Sufficiency Fund monies.

(c) The Self-Sufficiency Fund may not be used for the purchase of any proprietary or production equipment for the training project of a single employer.

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.

Issued in Austin, Texas, on September 23, 1997.

TRD-9712656

J. Randel Hill

General Counsel

Texas Workforce Commission

Earliest possible date of adoption: November 3, 1997

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

SUBCHAPTER B. Project Administration

40 TAC §§835.11-835.15

The new rules are proposed under Texas Labor Code, §301.061, which provides the Texas Workforce Commission with the authority to adopt, amend, or rescind such rules as it deems necessary for the effective administration of this Act. The proposed rules affect Texas Labor Code, Chapter 302, particularly §302.002 and §302.021.

§835.11. Project Objectives.

The objectives of the Self-Sufficiency Fund are:

- (1) to provide training for targeted employment to allow TANF recipients to achieve self-sufficiency;
- (2) to the extent practicable, to provide Self-Sufficiency Fund services in all areas of the state; and
- (3) to assist the state in its efforts to meet TANF statewide participation rates and assist individuals receiving public assistance in entering the workforce.

§835.12. Grant Administration.

(a) The Commission shall administer the Self-Sufficiency Fund.

(1) The Director, or a person appointed by the Director who is knowledgeable in the administration of grants, shall be responsible for the distribution of money from the Fund.

(2) The Director shall ensure that employers and training providers work together to propose training and employment for a specific number of trainees.

(b) Proposals requesting funding for a project may be submitted from any area of the state. Proposals must be reasonable in scope and utilize all available resources, including private contributions as well as local, state and federal funds.

§835.13. Limitations on Awards.

The Commission may impose any or all of the following limitations on the funds awarded under any specific grant:

- (1) a limit of \$500,000 for training needs of a single employer;
- (2) a limit of 10% of the grant award for the allowable purchase of any proprietary or production equipment required for the training project for a consortium of employers; and
- (3) a limit of 10% of the grant award for administrative costs related to the direct training needs of a single employer.

§835.14. Procedure for Requesting Funding.

(a) After obtaining the review and comments of the Board(s), a prospective private partner and training provider shall present to the Director a joint proposal requesting funding for a project which meets the objectives of the Self-Sufficiency Fund.

(b) Proposals shall be written and contain the following information:

- (1) the number of trainees to be trained and employed;
- (2) a brief outline of the proposed customized job training project including methods of assessment, skills to be taught, and strategies for successfully meeting the needs of trainees;
- (3) the occupation for which training will be provided, the wages to be paid during the first year of employment for a trainee who successfully completes the training program, the proposed timeline to achieve self-sufficiency, and the employment benefits provided by the private partner;
- (4) a budget summary identifying all sources of funding for the project and specifying the amount requested from the Self-Sufficiency Fund;
- (5) names of all of the entities which will be directly providing training and

education services, a description of the training and educational services to be provided by each entity, as well as a description of the prior experience and demonstrated performance in directly providing training or education services to the targeted population;

(6) completed checklist of information on the training provider's financial management system; and

(7) any other factors unique to the circumstances of the project which should be considered.

§835.15.Procedure for Evaluation.

(a) The Director's evaluation of each proposal shall include consideration of the:

(1) information contained in the written proposal;

(2) project objectives;

(3) prior experience and performance in the provision of direct training and education by the entity providing training and education services; and

(4) verification of good standing for any required certification, license, or registration for training providers.

(b) Priority shall be given to proposals which utilize all available resources, including private contributions as well as local, state and federal funds.

(c) If the Commission determines that a proposal is appropriate for funding through the Self-Sufficiency Fund and funding is available, the Director may enter into a contract with the grant recipient on behalf of the Commission.

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.

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J. Randel Hill

General Counsel

Texas Workforce Commission

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SUBCHAPTER C.Project Administration After Award of Contract

40 TAC §§835.31-835.33

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

The proposed rules affect Texas Labor Code, Chapter 302, particularly §302.002 and §302.021.

§835.31.Grant Recipient's Responsibilities.

(a) The grant recipient shall serve as fiscal agent, administer the contract, and in cooperation with the private partner submit financial and performance reports to the Commission.

(b) The grant recipient shall maintain fiscal data needed for independent verification of expenditures of funds received for the customized job training project for three years after the termination of the contract.

(c) All requests for contract amendments must be made in writing by the grant recipient. Contract amendments must be written and must be executed by the Director before the implementation of a change to the contract.

§835.32.Contract Completion Reports.

No later than 90 days following the end of the contract period for the customized job training project, the grant recipient shall provide the Commission with the following information:

(1) a copy of any audit performed on the customized job training project;

(2) the number of trainees placed in jobs, in which occupations they were placed, the wages for those occupations, and the number of trainees who have achieved self-sufficiency at the completion of the customized job training project;

(3) a narrative report by the grant recipient summarizing the customized job training project results, which shall include documentation that the training objectives and outcomes specified in the contract have been achieved, and may include brief narratives by employers evaluating the customized job training project's effectiveness in meeting their needs;

(4) payroll records and/or reports certified by the employer that provide the name, social security number, occupation, and the trainee's wage at the completion of the training; and

(5) a detailed accounting of the expenditure of funds received under the contract.

§835.33.Contract Payment.

Payment under a contract will be contingent upon the Director's determination that the project has met the training objectives, outcomes, and requirements specified in the contract. While the goal of all self-sufficiency projects is to have all individuals participating in training successfully complete the program, an attrition rate of no more than 15% will be considered acceptable contract performance. In special circumstances, at the end of the contract period, the Director may allow an attrition rate as set in the contract based on the total number of trainees to be trained. The final payment of 25% of the grant amount will be withheld until 90 days after the completion of training and after receipt by the Commission of verification that the trainees are employed in jobs which will lead to self-sufficiency.

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.

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