

PROPOSED REPEAL OF AND NEW RULES FOR CHAPTER 835. SELF-SUFFICIENCY FUND

ON AUGUST 26, 2002, THE TEXAS WORKFORCE COMMISSION PROPOSED THE BELOW RULE WITH PREAMBLE TO BE SUBMITTED TO THE *TEXAS REGISTER*.

Estimated Publication Date of the Proposal in the *Texas Register*: September 13, 2002.
Estimated End of Comment Period: October 14, 2002.

The Texas Workforce Commission (Commission) proposes the repeal of Chapter 835, Subchapter A. General Provisions Regarding the Self-Sufficiency Fund, §§835.1-835.4; Subchapter B. Project Administration, §§835.11-835.15; Subchapter C. Project Administration After Award of Contract, §§835.31-835.33; and new Chapter 835, Subchapter A. General Provisions Regarding the Self-Sufficiency Fund, §§835.1-835.4 Subchapter B. Project Administration, §§835.11-835.15; and Subchapter C. Project Administration after Award of Contract, §§835.31-835.34.

The purpose of the proposed rules is to interpret and administer Texas Labor Code, Chapter 309, relating to the operation of 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. One of the primary goals of the Commission is to meet the needs of Texas employers for the development of a highly skilled and productive workforce. As a part of this goal, the Commission strives to prepare, place and retain individuals in employment, and meet the needs of workers of this state for education and skills. More specifically, the Commission is directed to assist individuals in making the transition into the workforce from public assistance; thus, it is a goal for the Commission that all participants entering a customized job training project under the Self-Sufficiency Fund successfully complete the project and be self-sufficient. The 75th Legislature directed the Commission to develop a self-sufficiency program to work with employers and education organizations to provide customized job training for targeted employment of adult Temporary Assistance for Needy Families (TANF) recipients as a strategy to increase long-term success in retention of employment by those individuals. Furthermore, based on the passage of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) enacted in 1996 and federal regulations issued by the Administration for Children and Families (ACF), the Commission continues its intent to make the Self-Sufficiency Fund available to people who are at risk of becoming dependent on public assistance. While eligibility for Self-Sufficiency Fund services is open to adult TANF recipients as well as individuals who are at risk of becoming dependent on public assistance, the first priority of the Self-Sufficiency Fund is to assist current adult TANF recipients in obtaining the education and skills necessary to enter employment and become independent of public assistance.

As a workforce training tool, the goal of the Self-Sufficiency Fund is to help these adults obtain the education and skills necessary to enter employment and become independent of public assistance by providing customized job training for specific employers. Furthermore, the Commission intends that the Self-Sufficiency Fund should be available to help low income

families with children avoid the risk of becoming dependent on public assistance, as well as assist in making the transition from public assistance into the workforce. Teaming the business community with education organizations to fund customized job training for adult TANF recipients and other adults at risk of becoming dependent on public assistance, this fund successfully merges employer needs and local job training opportunities into a winning formula for putting people to work and expanding the local workforce and economic base.

As an opportunity to expand a local workforce and economic base, and as a source of workforce development funds provided to a local workforce development area, the Commission encourages employers and education organizations to collaborate with the Local Workforce Development Boards (the Boards) when creating Self-Sufficiency Fund proposals. Though the Boards are the architects of local workforce development policy, the Boards also have invaluable economic development expertise and resources beneficial to creating a proposal or implementing customized job training. Furthermore, with priority given to proposals containing evidence of established referral procedures and agreements and the Boards and their contractors being a core source of referrals for Self-Sufficiency Fund training, strengthening the relationship with the Boards quickly connects adult TANF recipients and other adults at risk of becoming dependent on public assistance with needed education and skills, prompting transition into workforce and attaining self-sufficiency.

The new rules incorporate substantially all of the requirements currently contained in Chapter 835, which is concurrently proposed for repeal. However, because of the extensive nature of the changes, the Commission proposes the repeal of the current rules and proposes new rules. The new rules describe the operation of the Self-Sufficiency Fund. The new rules are updated to reflect current workforce development philosophy and policy, strengthen accountability of the grant recipients, encourage collaboration with the Boards, enhance administrative efficiency of the fund, and provide clarity throughout Chapter 835. Some of the nonsubstantive changes include minor typographical edits and changes in terminology in line with the definitions set out in Chapter 800 distinguishing Commission from Agency. The purpose and goal of the Self-Sufficiency Fund is to aid in the transition of adult TANF recipients and other adults at risk of becoming dependent on public assistance to the workforce through the development of customized job training plans and necessary support services. The fund will provide customized job training for adult TANF recipients through projects throughout the state to assist the Boards in meeting contracted Choices performance measures. The rules describe the procedure to be used in making an application for a Self-Sufficiency Fund award, in evaluating the proposals submitted, enumerate responsibilities of a grant recipient, and list requirements that a grant recipient must meet in order to obtain payment on a Self-Sufficiency Fund contract. A document reflecting the new rules may be viewed at www.twc.state.tx.us/twcinfo/rules/prorules.html, or requested by contacting Kathy Turney at (512) 936-9256, faxing (512) 463-2672, e-mailing Kathy.Turney@twc.state.tx.us, or writing to the Texas Workforce Commission, 101 East 15th Street, Room 526-T, Austin, Texas, 78778-0001.

Subchapter A contains §§835.1-835.4 and sets out the general provisions relating to the purpose and goal, definitions, uses of the fund, and waivers.

Specifically, the purposes of the sections contained in Subchapter A are as follows.

Section 835.1 sets out the scope and purpose of the Self-Sufficiency Fund. Changes from the repealed rules clarify that adult TANF recipients are targeted for customized job training. The remainder of Chapter 835 is edited to reflect this clarification. The statutory cites are updated to reflect changes made in prior legislative sessions.

Section 835.2 sets out the definitions. Some of the definitions, such as customized job training project, private partner, and training provider, are edited for clarity within the rule and to enhance administrative efficiency of the fund. Clarifications of these definitions are reflected throughout the remainder of the chapter where applicable. The term "Director" is simplified to allow the reader to understand clearly when the Executive Director's duties can be delegated and not delegated to a designee, and this clarification is reflected throughout the remainder of the chapter where applicable. The definition of individual at risk of becoming dependent on public assistance is expanded to include individuals referred to a Board contractor by the Texas Department of Human Services to attend a Workforce Orientation for Applicants session, which is a TANF eligibility requirement. Individuals referred to the Workforce Orientation are not yet TANF recipients, but are considered individuals at risk of becoming dependent on public assistance because the individuals are seeking TANF benefits. Statutory cites are updated to reflect changes made in prior legislative sessions. A definition for state extension service is added and the Texas Engineering Extension Service (TEEX) is properly defined to accurately reflect the statute, and the remainder of Chapter 835 is edited to distinguish between TEEX and state extension service where applicable.

Section 835.3 sets out uses of the Self-Sufficiency Fund. Changes made provide clarity to the rule, enhance administrative efficiency of the fund, and strengthen the goal of the fund by adding language addressing intent to expand the workforce.

Section 835.4 sets out waivers. Edits are made for clarity of the rule.

Subchapter B contains §§835.11-835.15 and sets out the provisions relating to program administration.

Section 835.11 sets out the project objectives. Edits clarify that adult TANF recipients are targeted for customized job training through projects throughout the state to assist the Boards in meeting contracted Choices performance measures. Furthermore, some of the objectives from the repealed rules are merged together into one objective for clarity and to streamline the objectives, and new objectives are added to update the rules to reflect current workforce development philosophy and policy, such as consideration of Texas' employer needs for customized job training. One of the new objectives addresses the development of projects that will create jobs in local workforce development areas through the collaboration with the Boards. As the Commission's partners in workforce training and service delivery, the Boards are the architect of local workforce development policy and have the essential expertise and resources to address local economic development issues. The Commission believes that Board involvement is essential to the success of Self-Sufficiency Fund training because the Boards and their contractors are the central point of referrals of potential adult TANF recipients to be served,

assist employers in meeting their needs, or other local reasons. Another new objective addresses collaboration with Board contractors, one-stop centers, or other entities to establish referrals of eligible trainees, which is added to emphasize the relationship between eligible referrals to training and overall success of a training project. Other objectives added are as follows: training that will lead to employment benefits, including medical insurance; ensure job retention by providing retraining in response to new or changing technology; develop projects that include contributions from other sources; training that results in enhanced worker skills and positive economic impact for the local community; and ensure expansion of the state's capacity to respond to workforce training needs. Edits made to this section will also enhance the administrative efficiency of the fund.

Section 835.12 sets out the grant administration. Edits bring the rule in line with definitions set out in Chapter 800 that distinguish Agency and Commission. Other edits are made for clarity of the rules under Chapter 835.

Section 835.13 sets out the limitations on awards. Edits bring the rule in line with definitions set out in Chapter 800 that distinguish between Agency and Commission. A new provision increases the cap on administrative costs to 15% for training projects that involve more than a single employer. The edits reflect an update of workforce development philosophy and policy and enhance the administrative efficiency of the fund.

Section 835.14 sets out the procedures for requesting Self-Sufficiency Funding. Subsection (a) is edited to clarify that Boards in the applicable local workforce development area must have the opportunity to review and provide comments about a proposal, and that any review and comment obtained by the private partner and education organizations would be part of the proposal submission to the Commission. Subsection (a) is clarified to reflect that the private partner, education organization and, if applicable, any other training provider present the joint proposal to the Commission. The Self-Sufficiency Fund is a vital source of customized job training funds, and because the Boards are the architects of local workforce development policy, the Boards should have the opportunity to be informed about and respond to any workforce training that might come into a local workforce development area. As an essential resource on local workforce development policy, collaborating with the Boards will bring employers and education organizations closer to achieving intended training goals. Under the new subsection (b), the proposal must contain evidence of established referral procedures or agreements with Board contractors, one-stop centers, or other entities for referral of eligible trainees. The purpose of this requirement reassures the Commission that the education organization, private partner and training provider have secured a means to obtain referrals of eligible trainees for the proposed training project, which could enhance the success of the training project. Other changes made to Section 835.14 clarify the rules, strengthen employer's and education organization's commitment to recruit eligible trainees, describe measurable training objectives and outcomes, address equal opportunity employment policy, outline the respective roles and responsibilities of employers and education organizations under a signed agreement, and overall enhance the administrative efficiency of the fund.

Section 835.15 sets out the procedures for proposal evaluation. Edits clarify the rules, bring the rules in line with Chapter 800 definitions distinguishing Agency and Commission, and enhance

the administrative efficiency of the fund. An added subsection establishes the notification of Boards when the Commission is evaluating a proposal in order to keep the Boards informed about potential workforce activities in a local workforce development area.

Subchapter C contains §§835.31-835.36 and sets out the provisions relating to program administration after an award of a training contract.

Section 835.31 sets out the grant recipient responsibilities. The proposed new subsection (a) requires a grant recipient administer the contract and submit financial and performance reports to the Commission on a quarterly basis based on the commencement date of the contract. Other changes are made to clarify the rules. Two new subsections strengthen the contractual obligations of the grant recipient, bring the rule up to date with current contract monitoring procedures, require the grant recipient to submit all reports in electronic format unless otherwise approved, and overall enhance the administrative efficiency of the fund.

Section 835.32 sets out the provisions for contract completion reports. Edits provide clarity to the rule, bring the terminology in line with definitions set out in Chapter 800, and enhance the administrative efficiency of the fund. The time frame to submit final reports is reduced from 90 days to 60 days following the end of the contract period to accelerate the closeout process. Edits in Subsection (5) addressing payroll records and reports provide the grant recipient greater flexibility with regard to obtaining trainee wage information from the employer participating in the customized job training.

Section 835.33 sets out the contract payment provisions. The provisions are edited to provide clarity on how the final payment will be completed, specifying that final payment of the awarded funds will be withheld for 60 days after the completion of customized job training and after receipt by the Agency of verification that trainees are employed in jobs leading to self-sufficiency. This subsection also states that the Executive Director may allow an attrition rate of 15% based on the total number of trainees as outlined in the contract. The changes enhance the administrative efficiency of the fund.

Section 835.34 is a new section that details when the Commission will send a Board notification of Self-Sufficiency grants awarded in the Board's local workforce development area. The rule is added to update the rule to reflect current workforce development philosophy and policy with regard to the role of the Boards. The new rule will also enhance administrative efficiency of the funds, and allow the Boards to be informed about training funding invested by the Commission in a local workforce development area.

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

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

there are anticipated economic costs to persons required to comply with the rules.

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

James Barnes, Director of Labor Market Information, has determined that there is no foreseeable negative impact upon employment conditions in this state as a result of the proposed repeal and new rules.

Luis Macias, Director of Workforce Development, has determined that for each year of the first five years the rules are in effect, the public benefit anticipated as a result of the proposed repeal and new rules will be to clarify and improve the state and local partnership in policy making and service delivery that will ensure that recipients of temporary cash assistance receive services to aid them in assuming their responsibility to move quickly into work or work activities leading to self-sufficiency.

Under §2007.003(b) of the Texas Government Code, the Office of General Counsel has determined that Chapter 2007 of the Government Code does not apply to this rule. Accordingly, the Agency is not required to complete a takings impact assessment regarding this rule.

Comments on the proposed new rules may be submitted to John Moore, Office of General Counsel, Texas Workforce Commission, 101 East 15th Street, Room 608, Austin, Texas 78778; Fax Number 512-463-2220; E-mail to John.Moore@twc.state.tx.us.

Comments must be received by the Commission no later than thirty days from the date this proposal is published in the *Texas Register*.

The rules are repealed 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 Agency services and activities.

The repeal affects Texas Labor Code, Titles 4 as well as Texas Government Code Chapter 2308.

CHAPTER 835. SELF-SUFFICIENCY FUND

SUBCHAPTER A. GENERAL PROVISIONS REGARDING THE SELF-SUFFICIENCY FUND

§835.1. Purpose and Goal

§835.2. Definitions

§835.3. Uses of the Fund

§835.4. Waivers

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The new rules 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 Agency services and activities.

The rules affect Texas Labor Code, Titles 4 as well as Texas Government Code Chapter 2308.

CHAPTER 835. SELF-SUFFICIENCY FUND

SUBCHAPTER A. GENERAL PROVISIONS REGARDING THE SELF-SUFFICIENCY FUND

§-§835.1. Purpose and Goal.

- (a) The purpose of the Self-Sufficiency Fund is to provide training for targeted employment opportunities primarily for adult 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 primarily ~~primarily~~ adult TANF recipients ~~as well as those~~ as well as those individuals at risk of becoming dependent on public assistance ~~receive~~ 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 and 34.
- (c) Priority shall also be given to proposals containing evidence of established referral procedures or agreements with Board contractors, one-stop centers, or other entities. ~~Such evidence shall include a potential grant recipient's plan for recruiting eligible trainees.~~
- (d) 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) ~~Commission—The Texas Workforce Commission or an employee or employees designated by the Director to administer the Self-Sufficiency Fund.~~

- ~~(1)(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. The CBO must be certified as a 501(c)(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.
- ~~(2)(3)~~ Customized job training project--A project designed by for a ~~prospective private partner~~ business, -business consortium, or trade union in partnership with a public community or technical college, state extension service, TEEX -or community-based organization for the purpose of providing specialized workforce training to prospective employees of the ~~prospective private partner~~ business or business consortium, or members of the trade union with the intent of expanding the workforce.
- (3)~~(4)~~ Director--The Executive Director of the Texas Workforce Commission. ~~or the Executive Director's designee.~~
- (4)~~(5)~~ Texas Engineering Extension sService (TEEX) -- A higher education agency and service established by the Board of Regents of the Texas A&M University System.
- (5)~~(6)~~ Grant recipient--A public community or technical college, community-based organization, ~~or the~~ state extension service, or TEEX awarded a grant from the Self-Sufficiency Fund.
- (6)~~(7)~~ Individual at risk of becoming dependent on public assistance -- An individual who is a member of a food stamp household with dependent children or who has been referred to a Board contractor by the Texas Department of Human Services (DHS) to attend a Workforce Orientation for Applicants session in accordance with DHS rule 40 T.A.C. §3.7301.
- (8) 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.~~
- (7)~~(9)~~ ~~Prospective pPrivate ppartner~~--A person, sole proprietorship, partnership, corporation, association, consortium, or private organization ~~which submits a joint proposal~~ that enters into a partnership for a customized job training project

~~in partnership~~ with a public community or technical college, a community-based organization, ~~or~~ state extension service, or TEEEX.

(8)(10) 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.

(9)(11) 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.

(10)(12) Self-Sufficiency--Employment with wages reasonably calculated to make the employee independent of financial assistance under Texas Human Resources Code, Chapters 31, ~~and~~ 33 and 34.

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

(12)(13) TANF recipient--A person who receives financial assistance under Texas Human Resources Code, Chapters 31, 33 and 34.

(13)(14) 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.

(14)(15) Training provider--~~A public community or technical college, community-based organization, or extension service which provides training.~~ Any public community or technical college, community-based organization, state extension service, or TEEEX that provides training; or any person, sole proprietorship, partnership, corporation, association, consortium, governmental subdivision or public or private organization with whom a public community or technical college, community-based organization, state extension service, or TEEEX has subcontracted to provide 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, state extension service, or TEEEX ~~or Extension Service~~ for the following job-training purposes:

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

- (2) to develop customized job training projects for ~~prospective private partners~~ businesses, trade unions, and small and medium-sized business consortiums participating in projects with the intent to expand the workforce ~~which receive funding~~; and
 - (3) for support services, deemed reasonable and necessary by the ~~Commission~~ Agency 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.

§~~8~~35.4. Waivers

The Director ~~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 Director ~~executive director~~, and not a designee of the Director ~~executive director~~, is the only person who may approve a waiver.

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The rules are repealed 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 Agency services and activities.

The repeal affects Texas Labor Code, Titles 4 as well as Texas Government Code Chapter 2308.

SUBCHAPTER B. PROJECT ADMINISTRATION

- §835.11. Project Objectives
- §835.12. Grant Administration
- §835.13. Limitations on Awards
- §835.14. Procedure for Requesting Funding
- §835.15. Procedure for Evaluation

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The new rules 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 Agency services and activities.

The rules affect Texas Labor Code, Titles 4 as well as Texas Government Code Chapter 2308.

SUBCHAPTER B. PROJECT ADMINISTRATION

§-§835.11. Project Objectives

The objectives of the Self-Sufficiency Fund are:

- (1) to provide training for targeted employment to allow adult TANF recipients as well as those individuals at risk of becoming dependent on public assistance to achieve self-sufficiency;;
- (2) to the extent practicable, to provide Self-Sufficiency Fund services in all areas of the state and ensure expansion of the state's capacity to respond to workforce training needs; ~~and~~
- (3) to assist the Board ~~state~~ in its efforts to meet the Board's TANF Choices performance measures ~~statewide participation rates~~ and assist individuals receiving public assistance in entering the workforce;-
- (4) to develop projects that will create jobs in local workforce development areas through collaboration with the Boards;
- (5) to collaborate with Board contractors, one-stop centers, or other entities to establish referrals of eligible trainees.
- (6) to develop projects that at the completion of training will result in employment benefits, including medical insurance, for the participants in the customized training project;
- (7) to develop projects which include contributions from other resources, including the private partners, that are being committed to the customized job training project;
- (8) to develop projects that at completion of the training will result in the greatest economic benefit to the public, in the form of enhanced worker skills and positive economic impact within the local community for each dollar invested in worker training.

§-§835.12. Grant Administration

- (a) The ~~Commission~~ Agency shall administer the Self-Sufficiency Fund.
 - (1) The Director, or his or her designee ~~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, or his or her designee, 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~~ Agency 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; and-
- (4) a limit of 15% of the grant award for administrative costs related to direct training needs of two or more employers.

§ 835.14. Procedure for Requesting Funding

- (a) After obtaining the review and comments ~~the review and comments of the~~ of the Board in the applicable local workforce development area(s) ~~(s)~~, a prospective private partner, together with a public community or technical college, community-based organization, state extension service, or TEEX and any other training provider, shall present to the Director, or his or her designee, a joint proposal requesting funding for a project which meets the objectives of the Self-Sufficiency Fund.
- (b) The proposal shall contain evidence of established referral procedures or agreements with Board contractors, one-stop centers, or other entities for referral of eligible trainees.
- (~~b~~c) 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:
 - (A) methods of recruitment and assessment of eligible trainees; ;
 - (B) skills to be taught; ~~and~~

- (C) strategies for successfully meeting the needs of eligible trainees; and
 - (D) a list of the measurable training objectives and outcomes.
- (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 project, the proposed timeline to achieve self-sufficiency, and the employment benefits provided by the private partner;
 - (4) a statement describing the prospective private partner's equal opportunity employment policy;
 - (5)(4) a budget summary identifying all sources of funding for the project and specifying the amount requested from the Self-Sufficiency Fund;
 - (6) completed checklist of information on the training provider's financial management system;
 - (7)(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~~
 - (8) a signed agreement between the prospective private partner and the public community or technical college, community-based organization, state extension service, or TEEEX outlining each entity's role and responsibilities if a grant is awarded; and
 - (9)(7) any other factors unique to the circumstances of the project which should be considered.-

§-§835.15. Procedure for Evaluation

- (a) The Director's, or his or her designee's, evaluation of each proposal shall include consideration of the:
 - (1) information contained in the written proposal;
 - (2) project objectives and outcome measures as referenced in §835.11 of this subchapter;

- (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) The Agency will notify the Board in the applicable local workforce development area(s) when the Agency is evaluating a proposal so as to inform the Board of potential workforce activities in the workforce area(s).
 - (ed) If the ~~Commission~~ Agency determines that a proposal is appropriate for funding through the Self-Sufficiency Fund and funding is available, the Director, or his or her designee, may enter into a contract with the grant recipient on behalf of the Agency ~~Commission~~.

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The rules are repealed 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 Agency services and activities.

The repeal affects Texas Labor Code, Titles 4 as well as Texas Government Code Chapter 2308.

SUBCHAPTER C. PROJECT ADMINISTRATION AFTER AWARD OF CONTRACT

§835.31. Grant Recipient's Responsibilities

§835.32. Contract Completion Reports

§835.33. Contract Payment

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The new rules 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 Agency services and activities.

The rules affect Texas Labor Code, Titles 4 as well as Texas Government Code Chapter 2308.

SUBCHAPTER C. PROJECT ADMINISTRATION AFTER AWARD OF CONTRACT

§835.31. Grant Recipient's Responsibilities

- (a)(a) The grant recipient shall serve as fiscal agent, shall administer the contract, and in cooperation with the private partner and any separate training provider, submit financial and performance reports to the ~~Commission~~ Agency on a quarterly contract basis.

- (b)(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)(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, or his or her designee, before the implementation of a change to the contract.
- (d) The grant recipient shall cooperate with and comply with the Agency monitoring activities as required by Chapter 800, Subchapter H of this title.
- (e) The grant recipient shall submit all required reports in electronic format required by the Agency unless otherwise approved by the Agency.

§ 835.32. Contract Completion Reports

No later than 6090 days following the end of the contract period for the customized job training project, the grant recipient shall provide the ~~Commission~~ Agency with the following information:

- (1)(1) a copy of any audit performed on the customized job training project;
- (2)(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)(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) a detailed accounting of the expenditure of funds received under the contract; and
- (5) the grant recipient shall provide the Agency one of the following:
 - (A) payroll records and/or reports certified by an independent auditor or verified by the employer that provides the name, the social security number, the occupation, and the trainee's wage at the completion of the training; or
 - (B) a statement from the employer that the wages at the time of job placement for each individual who successfully completes customized training is comparable to the wage for that occupation in the local labor market area.

~~(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, or his or her designee'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.~~ - The final payment of the grant amount will be withheld for 60 days after the completion of training and after receipt by the Agency of verification that the trainees are employed in jobs leading to self-sufficiency. The Director may allow an attrition rate of 15% based on the total number of trainees as outlined in the contract.

~~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.~~

§835.34. Notice to Local Workforce Development Board

The Agency will inform the Board in the applicable local workforce development area(s) when the Agency awards a grant from the Self-Sufficiency Fund that impacts the local workforce development area.

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