

Part XX. Texas Workforce Commission

Chapter 803. Skills Development Fund

Subchapter B. Program Administration

40 TAC §803.13

The Texas Workforce Commission proposes amendments to §803.13, concerning program objectives regarding the operation of the Skills Development Fund.

The purpose of the amendment is to create a new, heightened emphasis on serving local workforce development areas (workforce areas) possessed of higher than average unemployment rates.

Training for jobs that are known to exist is an important goal in areas with high unemployment rates. The Skills Development Fund can help meet that need.

The Commission, while maintaining efficient statewide distribution for the program's resources, is committed to timely service of these high-need areas.

The amendments allow the Director of the fund to emphasize service to areas with high unemployment rates.

Under the amendments, applications for grant money available to a workforce area with a high unemployment rate would be processed on a priority basis.

Expedited processing will encourage grant applications from eligible areas. Applications can be expected to arrive earlier in the fiscal year and in greater quantity. This will help assure that the Skills Development Fund is helping workers in eligible areas as fast as possible and help assure the most effective use of dollars available to eligible areas.

Randy Townsend, Director of Finance, has determined that for each year of the first five years the amendments 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 no anticipated economic costs to persons required to comply with the rule.

Richard Hall, Director of Business Services, has determined that for each year of the first five years the section is in effect, the public benefit anticipated as a result of enforcing the section will be the placement of emphasis on timely services within areas of higher unemployment insurance rates to stimulate the quantity and quality of applications from such areas.

Mr. Townsend also has 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 by or required to do anything by this rule.

Comments on the proposal may be submitted to Richard Hall, Director of Business Services, 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) 463-2799 or e-mailed to: Richard.Hall@twc.state.tx.us. Comments must be received by the Commission within 30 days from the date of the publication in the *Texas Register*.

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

The amendments affect Texas Labor Code, Chapter 302 and Chapter 303.

§803.13.Program Objectives.

(a) The following are the program objectives in administering the Skills Development Fund:

(1) to ensure that funds from the program are spent in all areas of this state;

(2) to develop projects that will create jobs in local workforce development areas (workforce areas) where the unemployment rate is above the state's annual average unemployment rate;

(3) to prioritize the processing of grant requests from workforce areas where the unemployment rate is higher than the state's annual average unemployment rate;

(4) [~~(2)~~] to respond to the training needs of consortiums consisting of at least two micro-, small or medium-sized businesses ; [~~The priority shall be for micro businesses which employ not more than 20 employees as defined under Government Code, Section 481.151, small businesses that have fewer than 100 employees or less than \$1 million in annual gross receipts as defined under Government Code, Section 481.101(3), and medium sized businesses which employ not more than 500 employees;~~]

~~[(3) to develop projects that will create jobs in Local Workforce Development Areas where the unemployment rate is above the state's annual average unemployment rate;]~~

(5) [~~(4)~~] to facilitate projects eligible for the Self-Sufficiency Fund, by working with employers and training organizations to provide training for targeted employment for recipients of Temporary Assistance to Needy Families (TANF formerly referred to as Aid For Dependent Children AFDC) and to facilitate other projects which assist in the employment of former welfare recipients;

(6) [~~(5)~~] to sponsor pilot programs in allied health professions for certain recipients of financial assistance under Human Resources Code, Chapter 31;

(7) [~~(6)~~] to develop projects that at completion of the training will result in wages greater than the prevailing wage for that occupation in the local labor market for the participants in the customized training program;

(8) [~~(7)~~] to develop projects that at the completion of training will result in employment benefits, including medical insurance, for the participants in the customized training program;

(9) [~~(8)~~] to facilitate the growth of industry and emerging occupations;

(10) [~~(9)~~] to sponsor creation and attraction of high value, high skill jobs for the state;

(11) [~~(10)~~] to ensure retention of jobs by providing retraining in response to new or changing technology;

(12) [~~(11)~~] to develop projects which include contributions from other resources, including the private partners, that are being committed to the customized training program; and

(13) [~~(12)~~] to ensure expansion of the state's capacity to respond to workforce training needs.

(b) In processing requests referenced in paragraph (3) of subsection (a), the director shall give priority in processing to grant requests from workforce areas where the unemployment rate is higher than the state's annual average unemployment rate. Notwithstanding the priority in processing, the other objectives within this section apply.

(c) The priority referenced in paragraph (4) of subsection (a) shall be for micro-businesses which employ not more than 20 employees as defined under Government Code, Section 481.151, small businesses that have fewer than 100 employees or less than \$1 million in annual gross receipts as defined under Government Code, Section 481.101(3), and medium-sized businesses which employ not more than 500 employees.

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 October 16, 1998.

TRD-9816212

J. Randel (Jerry) Hill

General Counsel

Texas Workforce Commission

Earliest possible date of adoption: November 29, 1998

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