



# Using the Skills Development Fund to Invest in Your Business

**TEXAS**  
**WORKFORCE SOLUTIONS**

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**SKILLS**  
Development Fund

# Customized Training for Texas Employers

## **Purpose:**

- The purpose of the **Skills Development Fund** is to assist businesses by financing the design and implementation of customized job-training projects.

## **Goal:**

- The goal of the **Skills Development Fund** is to increase the skills level and wages of the Texas workforce.

# SDF Grant Details

- Single-business project can be up to \$500,000
- Cost per trainee target of \$2,000
- Customize training to fit business's needs
- Training for full-time employees
- 12-month grant term
- Equipment costs for training purposes may be allowed for multiple business projects

# Collaborative Partnerships

- **The college or workforce development board** is the grant applicant, recipient, and manager that works with the business partner to develop a comprehensive, customized training program (Has contract deliverables with TWC)
- **The business partner** stays actively engaged with the college throughout the project
  - Provides the college with necessary information and documentation in a timely fashion.
  - Signs a Memorandum of Understanding (MOU) with the college.
  - Fulfills obligations to its employees and the college throughout training
- **TWC** provides technical assistance throughout the process
  - Provides subject-matter expertise while building the project
    - Provides funding for the project
    - Ensures the project stays true to applicable laws, rules, and parameters



# Customized Training

## Who do you want to train?

- Must be full-time, regular employees
- Job titles, wages and dates of hire
- Job description on company letterhead for each employee may be requested
- PII, including SSN (non-negotiable), full name, mailing address, birth date, and other information relevant to training after training is approved

## What training do you want?

- An application requires a budget, and a budget requires a course list. We can't do that without the business input
- Training is customizable, or the college can create a new course for your needs

## Instructor and delivery method?

- Will the college provide the training? Do you have a vendor you want to use? Do you want to train internally?
- The college must provide at least 50% of the training

# Obligations & Considerations

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- You will be required to pay your employees' wages during training
- All trainees must be paid at least the 25th percentile prevailing wage based on the workforce board area wages
- **Reporting requirements**  
We will need personal identifiable information (PII) for reporting purposes.
- Work with the college to build the training plan you need
- Consider how long you can let each employee train and how it will affect your overall productivity
- Stay engaged in the process  
Your buy-in early in the process will help ensure success  
This may encompass your upper echelons, legal counsel, training staff, HR, supervisors, and trainees.
- Work with your teams to get documentation to the college or workforce development board as quickly as possible
- We will need job descriptions and wage data  
Share desired training so we can build the budget



# Business Responsibilities

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- **Reporting requirements from the college to TWC depend largely on you**  
Work with the college or workforce board once you have identified trainees
- **Understand your obligations to the college**  
This will be addressed in the MOU  
Don't over-obligate yourselves
- **Retention rate of trainees**  
You must retain 85% for 60 days after the conclusion of training (individually)  
Take this into account when you consider who you want to train
- **Wage rates and raises**  
All incumbent (with the company more than 1 year) trainees must receive an average of 1% raise at the end of the training (average, not individual)  
New and incumbent trainees must meet prevailing wage determined by your workforce board area



# What to consider during Project Development?

- ✓ Employees must be paid during training
  - The grant does not cover wages to trainees*
- ✓ Individual training totals are capped at \$2,000
- ✓ 85% trainee retention for 60 days after training.
- ✓ Business must be up-to-date on UI insurance to TWC
- ✓ Must meet 25<sup>th</sup> percentile prevailing wage for the area
- ✓ Average 1% wage increase at the end of training for incumbent trainees
- ✓ Management job titles (11-1xxx, 11-2xxx, and 11-3xxx SOC codes) not allowed to participate
- ✓ Application must meet
  - 75% Business/ General Technical
  - 25% Non-Technical



# Benefits of the Skills Development Fund

- **Increased Employee Retention**

- Since the creation of the Skills Development Fund, nearly 420,000 jobs have been created or upgraded

- **Additional Recruiting Opportunities**

- SDF provides an opportunity for your employees to grow within the company, thus creating additional employee buy-in

- **Build a Partnership with Local Workforce Boards**

- SDF provides an opportunity for the employer to utilize the services that the local Workforce Board provides such as job fairs, hiring events, employee screenings, etc.



## Benefits of Building a Partnership with Local Workforce Boards

### Get Help Hiring Qualified Workers:

Post jobs and search for qualified candidates on [WorkInTexas.com](https://www.workintexas.com)

Participate in local recruiting and hiring events

Access labor market data

### Learn to Leverage Hiring Incentives:

Accommodate and retain individuals with disabilities

Apply for Fidelity Bonding to confidently hire at risk individuals

Lower your federal tax liability with Work Opportunity Tax Credits

**Employer Engagement & Community Outreach Department  
Outreach & Employer Initiatives Division  
Texas Workforce Commission**



**Texas Workforce Commission  
Outreach and Employer Initiatives**



**Skills Development Fund**





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