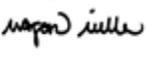


## TEXAS WORKFORCE COMMISSION LETTER

<b>ID/No:</b>	WD 24-15
<b>Date:</b>	October 13, 2015
<b>Keyword:</b>	WIOA
<b>Effective:</b>	November 13, 2015

**To:** Local Workforce Development Board Executive Directors  
Commission Executive Offices  
Integrated Service Area Managers  


**From:** Reagan Miller, Director, Workforce Development Division

**Subject:** **Workforce Innovation and Opportunity Act Eligible Training Providers Evaluation Criteria and Performance Expectations**

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### **PURPOSE:**

To provide Local Workforce Development Boards (Boards) with information and guidance on Workforce Innovation and Opportunity Act (WIOA) Eligible Training Providers (ETPs), including:

- evaluation criteria; and
- performance measures and expectations.

### **BACKGROUND:**

WIOA maintains the requirement set forth in the Workforce Investment Act (WIA) that the Texas Workforce Commission (TWC), in consultation with the Texas Workforce Investment Council (TWIC), must establish criteria, information requirements, and procedures regarding the eligibility of training providers to receive funds.

WIOA allows for existing ETPs, approved using criteria set forth in WIA, to be grandfathered in through December 31, 2015. After December 31, 2015, providers grandfathered in will require a new initial evaluation under WIOA, and all providers seeking new ETP approval on or after July 22, 2015, will be evaluated based on the requirements set forth in WIOA.

A Board workgroup reviewed and provided input on the criteria for initial eligibility of new training providers and programs. The workgroup continues discussion on criteria for initial and subsequent certification, as well as on ETP reporting requirements.

At the August 11, 2015, meeting of TWC's three-member Commission (Commission), the Commission approved staff recommendations to:

- retain existing performance expectations for ETPs;

- add new criteria regarding partnerships with employers and the alignment with in-demand occupations; and
- authorize Boards to adopt higher performance standards, monitor providers outcomes, and withdraw approval as necessary.

**PROCEDURES:**

**NLF:** Boards must be aware of the following:

- Providers seeking ETP approval on or after July 22, 2015, must be evaluated based on the requirements set forth in WIOA; and
- All providers, including existing ETPs grandfathered in under WIA requirements until December 31, 2015, must be evaluated using the WIOA criteria, first at initial application and every two years following.

**Criteria to Become an ETP under WIOA**

**NLF:** Boards must be aware that a provider is required to be:

- an institution of higher education providing a program that leads to a recognized postsecondary credential;
- an entity that provides registered apprenticeship training; or
- a public or private training provider, which can include:
  - joint labor-management organizations; and
  - adult education and literacy providers—if services are provided with occupational skills training.

**NLF:** Boards must be aware that WIOA requires that the following factors be taken into consideration by states when establishing eligibility criteria:

- Performance, including:
  - consideration of the characteristics of the population served;
  - relevant economic conditions; and
  - employment and earning outcomes for students in general;
- Access throughout the state, including rural areas, and through the use of technology;
- Information reported to the state involving training services, other than those provided under WIOA;
- The degree to which training programs relate to in-demand industry sectors and occupations in the state;
- Requirements for state licensing of training providers and licensing status;
- Ability to issue industry-recognized certifications;
- Ability to issue recognized postsecondary credentials;
- Quality of the training program;
- Ability to train employed individuals and individuals with barriers to employment; and
- Other factors as needed to ensure that:
  - training providers are accountable;
  - training providers meet the needs of local employers and participants;
  - participants can make an informed choice; and

- the collection of information to demonstrate compliance is not overly burdensome.

**NLF:** Boards must be aware that, at a minimum, initial eligibility criteria must include factors related to the following:

- Performance expectations;
- Partnerships with employers;
- The provision of high-quality training services, including the ability of the provider to operate programs leading to a recognized postsecondary credential; and
- The alignment of training services with in-demand industry sectors and occupations, to the extent practicable.

**NLF:** Boards must be aware that WIOA requires ETPs to meet more robust reporting requirements, including the following:

- Appropriate, accurate, and timely submission to the state;
- Performance accountability as related to the primary indicators of performance;
- Recognized postsecondary credentials received;
- Cost of attendance, to include tuition, books, and fees;
- Program completion rate; and
- Provision of information related to governor-established criteria.

**LF:** Boards may establish additional criteria and require higher levels of performance.

**NLF:** Boards must ensure that a list of ETPs, with criteria and information requirements disaggregated to the local level, is made available to participants so that they can make informed choices.

### **ETP Performance Measures and Expectations**

Current ETP criteria are set forth in TWC's Eligible Training Provider rules at §841, Subchapter C:

§841.45—criteria regarding performance expectations; §841.38 and §841.39—criteria regarding the ability of the provider to operate programs leading to a recognized postsecondary credential.

On August 11, 2015, the Commission approved the following criteria pertaining to partnerships with employers and alignment of training services with in-demand industry sectors and occupations. ETP evaluation criteria for initial certification will need to include documentation of partnerships with employers related to the particular training program by submission of:

- a letter of support from a local employer or employers;
- evidence of the existence of an employer-based advisory committee; or
- other means acceptable to the Board as set forth in policy adopted in a public meeting.

The Commission will revisit the ETP evaluation criteria for initial certification later in calendar year 2015 to determine if any modifications are needed.

As directed by §841.45(a), the Commission must annually adopt performance standards for individuals enrolled in the program of training services, as applicable. Current ETP performance expectations approved by the Commission on April 29, 2014, and renewed with no change August 11, 2015, are as follows:

- At least 60 percent of all program participants complete;
- At least 60 percent of all program participants entered employment;
- No program participants entered employment at less than \$7.25/hour; and
  - (if occupation specified) Participants started work at least 80 percent of the average statewide entry-level hourly wage for the occupation trained in.
  - (if occupation not specified) Participants started work at least 80 percent of the average statewide entry-level hourly wage for all occupations.

The ETP performance measures serve as minimum indicators of training program quality.

**NLF:** Boards must be aware that ETPs are required to submit performance information in program applications, and must meet the established performance minimums to be certified. New program offerings<sup>1</sup> are the only exception to this requirement.

**NLF:** As under WIA, Boards must:

- adopt performance requirements that meet or exceed the performance minimums for initial eligibility as appropriate for their local workforce development areas;
- monitor provider performance;
- adjust performance measures where appropriate to local conditions and needs, incorporate additional related performance requirements and verifiable performance information, and use related measures for which data are readily available;
- withdraw Board approval for a program for failure to meet the Board's performance criteria;
- verify performance information submitted in ETP applications;
- investigate and report to TWC any possible violations of WIA/WIOA requirements or state or local laws, and withdraw approval for a provider or take other appropriate action for findings of intentional submission of inaccurate information or other WIA/WIOA violations; and
- require a provider to resubmit an application in cases of change in regulatory or accreditation status or violations of state or local laws.

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<sup>1</sup> New Program Offering—Programs that are new at the time of application submission (i.e., a program/course never delivered to any student, regardless of funding source, on or before the date of Initial Eligibility Application Submission). No performance reporting is required for new program offerings.

**LF**: Boards may review and develop recommendations for the criteria and processes of subsequent certification of ETPs in concert with U.S. Department of Labor reporting and rule guidance and with any additional 2015 modifications to the initial certification process.

**INQUIRIES:**

Direct inquiries regarding this WD Letter to [wfpolicy.clarifications@twc.state.tx.us](mailto:wfpolicy.clarifications@twc.state.tx.us).

**ATTACHMENT:**

1. Texas' Workforce Innovation and Opportunity Act Eligible Training Provider Certification System

**RESCISSIONS:**

WD Letter 19-14

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**REFERENCES:**

Workforce Innovation and Opportunity Act, §122 Identification of eligible providers of training services

**FLEXIBILITY RATINGS:**

**No Local Flexibility (NLF)**: This rating indicates that Boards must comply with the federal and state laws, rules, policies, and required procedures set forth in this WD Letter and have no local flexibility in determining whether and/or how to comply. All information with an NLF rating is indicated by “must” or “shall.”

**Local Flexibility (LF)**: This rating indicates that Boards have local flexibility in determining whether and/or how to implement guidance or recommended practices set forth in this WD Letter. All information with an LF rating is indicated by “may” or “recommend.”