Plan for the Transfer of

Vocational Rehabilitation Services and

Other Services and Programs

Texas Workforce Commission
Texas Department of Assistive and Rehabilitative Services
Texas Health and Human Services Commission
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Executive Summary

Background and Purpose

On June 19, 2015, Governor Abbott signed into law Senate Bill (SB) 208 directing the transfer of several programs from the Texas Department of Assistive and Rehabilitative Services (DARS) to the Texas Workforce Commission (TWC). Effective September 1, 2016, the following programs will transfer to TWC:

- The Vocational Rehabilitation (VR) Program for individuals with visual impairments, including the Criss Cole Rehabilitation Center;
- The VR Program for individuals with other disabilities;
- The Independent Living Services Program for Older Individuals Who are Blind; and
- The Business Enterprises of Texas Program.

Both the blind and general VR programs provide a wide range of services to help individuals with disabilities prepare for, find, and keep meaningful jobs that pay a competitive salary. The Independent Living Services Program provides services to older individuals who are blind to help them live independently in their homes and communities and avoid institutionalization. The Business Enterprises of Texas Program provides support to managers of food service and vending companies who are blind.

The changes prescribed by SB 208 will have a significant impact on the size and scope of both DARS and TWC. The transfer of the programs involves 1,860.9 full-time equivalent employees; a budget of $309,078,198, including state and federal funds; and more than 96,000 consumers.

To provide legislative and public input on the transfer of DARS' programs to TWC, SB 208 specifies additional duties of the Health and Human Services Transition Legislative Oversight Committee (Oversight Committee) created in SB 200. SB 208 adds the commissioner of DARS and the executive director of TWC as ex officio members of the Oversight Committee. SB 208 requires the executive commissioner of the Texas Health and Human Services Commission (HHSC), the commissioner of DARS, and TWC's executive director to develop a plan for the transfer of vocational rehabilitation services and other services and programs that ensures the transfer is accomplished in a careful and deliberative manner. The plan must be submitted to the Oversight Committee and Governor Abbott as soon as practicable after September 1, 2015. The plan also must be included as part of the transition plan submitted to the Oversight Committee, the governor, and the Legislative Budget Board (LBB) by March 1, 2016, for SB 200's required health and human services consolidation.

This plan meets the intent of SB 208 and provides a road map for the successful transition of the programs from DARS to TWC on September 1, 2016. The purpose of this plan is to ensure the following:

1. No disruption of services to consumers;
2. DARS employees transfer to TWC with no disruption in their salaries and benefits; and
3. All federal requirements are met in order to maintain the current level of federal funding support for the programs.

This plan focuses solely on the logistics of transferring the programs and putting the necessary infrastructure in place by September 1, 2016, to ensure the continuity and accountability of the programs. This plan is not intended to address changes in how the programs operate or the policies governing the programs, other than what is required by SB 208. However, as part of the transition process, the agencies will look for opportunities to enhance efficiencies and streamline operations.

Federal Interaction

The programs transferring from DARS to TWC receive federal funds and are subject to federal regulations. DARS and TWC began coordinating with the U.S. Department of Education's Rehabilitation Services Administration (RSA) during the Texas legislature's 84th session to ensure the transfer would be accomplished according to federal requirements. RSA provided input on SB 208, and, as a result, the bill includes provisions regarding the organizational structure of the VR Program within TWC to comply with federal requirements. Attachment A shows how TWC's divisions will be organized on September 1, 2016.

Federal regulations require states to explain changes to the organization of their VR programs, such as the transfer required in SB 208, in the state plan they submit to RSA. DARS and TWC are collaborating on the development of the state plan so that the document will include all necessary details on the transfer of the programs to TWC. The agencies also have begun collaborating with the appropriate federal agencies to ensure that the transfer of the Business Enterprises of Texas Program and Independent Living Services Program for Older Individuals Who are Blind comply with all federal requirements.

Further, the transfer is occurring at the same time as the U.S. Department of Labor and U.S. Department of Education implement the 2014 Workforce Innovation and Opportunity Act (WIOA), enacted July 22, 2014. For the first time under WIOA, states are required to submit a single four-year plan for achieving the goals of all core workforce programs, including workforce services for adults, dislocated workers, and youth, as well as Wagner-Peyser Employment Service, adult education and literacy, and vocational rehabilitation. WIOA calls for better integration of these programs at the state level to improve overall employment outcomes and requires a combined state plan encompassing outcomes for all programs using common performance measures. TWC and DARS are currently working together to meet the WIOA state plan requirements.

Key Transition Dates

Key dates for the transfer of programs from DARS to TWC are the following:

- As soon as practicable after September 1, 2015—The agencies must submit the plan for the transfer of vocational rehabilitation services and other services and programs to the Oversight Committee and the governor.
- Not later than October 1, 2015—The lieutenant governor, the speaker of the House of Representatives, and the governor must make appointments to the Oversight Committee.
- Not later than March 1, 2016—HHSC's executive commissioner must submit a transition plan, which includes the plan for the transfer of vocational rehabilitation services and other programs, to the Oversight Committee, the governor, and the LBB.

- March 3, 2016—Texas must submit the WIOA State Plan to the Secretary of the U.S. Department of Labor.
- September 1, 2016—VR Program and other programs transfer from DARS to TWC.
- January 10 through May 29, 2017—The 85th Texas Legislature is in session.
- Not later than October 1, 2017—TWC must integrate into a single program the two separate VR programs for individuals with visual impairments and individuals with other disabilities.
- Not later than August 31, 2018—TWC must integrate its vocational rehabilitation staff into the Local Workforce Development Boards (Boards) and Workforce Solutions Offices.

SB 208 Plan Requirements

SB 208 requires the plan for the transfer of VR services and other services and programs to include nine specific elements. This plan complies with the requirements of SB 208 as follows:

1. *Requirement*: The specific steps and methods for the transfer or disposition of all obligations, rights, contracts, leases, records, property, and funds, including unexpended and unobligated appropriations, relating to the services and programs transferred from DARS to TWC.

Response: The transition teams have identified the major tasks necessary for the successful transition of DARS' programs to TWC, and the tasks are listed in the individual focus area sections of this plan. Taken together, these sections represent the specific steps and methods for the transfer or disposition of all obligations, rights, contracts, leases, records, property, and funds to TWC.

2. *Requirement*: The identification of all full-time equivalent (FTE) employee positions that are associated with DARS' administration of the services and programs to be transferred to TWC, including the FTE employee positions that are associated with HHSC's administrative support of those transferring services and programs.

Response: The General Appropriations Act specifies that 1,860.9 FTE employees will transfer from DARS to TWC. DARS and HHSC are currently working to identify all staff associated with the programs that will transfer. Once this process is complete, likely in October 2015, DARS and HHSC will provide TWC with the list of all identified positions, as well as their current classifications and salaries.

DARS and TWC may agree to physically move or transfer employment of certain key administrative staff before September 1, 2016, to help ensure the success of the transfer. Further, some focus area sections in this plan identify the need to add staff during the transition period to manage the increased workload associated with the transfer.

3. *Requirement*: Measures to ensure that unnecessary disruption to the provision of transferred services and programs does not occur.

Response: One of the guiding principles the agencies will follow during the transition process is to ensure that consumers encounter no disruption to the provision of services when the transfer occurs on September 1, 2016. Each of the transition teams is tasked with ensuring all systems

are in place and functioning on or before that date to prevent disruption of services. The steering committee and the leadership of each agency will be responsible for monitoring the progress of the teams to ensure all necessary tasks are completed on time so that the transfer of programs from DARS to TWC goes smoothly.

4. *Requirement*: A strategy for integrating VR staff into TWC's Boards and Workforce Solutions Offices as required by Texas Labor Code, Section 351.004.

Response: The policy and service delivery section of this plan discusses the preliminary steps TWC will take to integrate vocational rehabilitation staff into Boards and Workforce Solutions Offices by August 31, 2018.

5. *Requirement*: A strategy for integrating VR programs for individuals with visual impairments and for individuals with other disabilities as required by Texas Labor Code, Section 352.101.

Response: The policy and service delivery section of this plan discusses the preliminary steps TWC will take to integrate the two separate VR programs by October 1, 2017. To comply with a management action recommendation of the Sunset Advisory Commission, TWC also will develop a transition plan for this integration no later than September 1, 2016.

6. *Requirement*: A schedule for implementing the transfer of services and programs.

Response: The transition teams have identified timelines for each of the major tasks necessary for the successful transition of DARS' programs to TWC. These timelines are listed in the individual focus area sections of this plan. Taken together, the timelines represent a schedule for implementing the transfer of services and programs.

7. *Requirement*: A strategy for exchanging data with other state agencies that refer consumers for VR services.

Response: The legal section of this plan includes key tasks for identifying the data sharing agreements DARS currently has with other agencies that refer consumers for VR services and transferring those agreements to TWC.

8. *Requirement*: A plan for leased office or building space where staff that will be affected by the transfer of administration of services and programs to TWC are located.

Response: The Facilities transition team (Facilities team) has been working to identify all leased office and building space currently occupied by DARS staff transferring to TWC. The facilities section of this plan addresses the transition of leased office and building space to comply with the requirements of SB 208, SECTION 34.

9. *Requirement*: A plan for transitioning data and IT systems that support the administration of DARS' services and programs to TWC.

Response: The IT and Legal teams developed an interagency cooperative agreement on data sharing between DARS, HHSC, and TWC in compliance with the requirements of SB 208, SECTION 35. This agreement became effective on September 1, 2015, and is included as Attachment B. The IT and legal sections of this plan include key tasks necessary to transition data and IT systems that support the DARS programs that will transfer to TWC.

Overall Approach to the Transition

Vision

Starting September 1, 2016, TWC will be responsible for the accountability, integrity, and fiscal stewardship of the programs transferring from DARS. Upon successful completion of the transition, Texans with disabilities who are seeking employment will benefit from a team approach to service delivery in which VR counselors and workforce specialists, leveraging their combined strengths, experience, and established relationships with Texas employers, will obtain the best possible employment outcomes. Starting October 1, 2017, TWC will effectuate the integration of blind and general VR programs and begin the transition of DARS staff and services into Workforce Solutions Offices, ensuring services are provided efficiently and effectively, as well as ensuring the best possible outcomes for consumers. This transition will extend into Fiscal Year 2019 (FY'19). Throughout this time, the team approach to service delivery will continue as the focus.

Transition Governance and Management across the Agencies

In order to ensure the successful transfer of the programs, TWC, DARS, and HHSC have committed to working together closely. While management and staff of the three agencies began discussing the details of the transition during the 84th Texas legislative session, they came back together in August 2015, to formally begin the planning process and create a governance structure to oversee the transition. This structure includes a steering committee and 10 transition teams made up of representatives from each of the three agencies. The steering committee comprises executive staff from TWC, DARS, and HHSC, and its main functions are to:

- serve as the communication liaison with each agency's leadership regarding transition activities; and
- provide guidance to the individual transition teams.

The steering committee will meet monthly, starting in September 2015. The following table lists the members of the steering committee.

Steering Committee Members

Name	Title, Agency
Glenn Neal	Director of Personnel and Transition Management, TWC
Reagan Miller	Director of Workforce Development, TWC
Randy Townsend	Chief Financial Officer, TWC
Tom McCarty	Director of External Relations, TWC
Lisa Richardson	Director of Information Technology, TWC
Paul Jones	General Counsel, TWC
Cheryl Fuller	Assistant Commissioner for the Division for Rehabilitation Services, DARS
Scott Bowman	Interim Assistant Commissioner for the Division for Blind Services, DARS
Sylvia Hardman-Dingle	General Counsel and Director of Legal Services, DARS

Name	Title, Agency
Karin Hill	Director of Internal Audit, DARS
Rebecca Trevino	Chief Financial Officer, DARS
Daniel Bravo	Chief Operating Officer, DARS
David Hagerla	Deputy Commissioner, DARS
Jeff Peden	Director of Information Technology, DARS
Joey Reed	Program Specialist, Office of Transformation, Policy, and Performance, HHSC

*HHSC may add additional representatives to the steering committee in the coming months.

Each of the agencies will have a mechanism for reporting on the progress of the transition to its leadership:

- TWC has established a process for each transition team to report to the director of personnel and transition management every other week. The director will use these reports to provide biweekly updates to TWC's executive director and TWC's three-member Commission (Commission) beginning in September 2015.
- DARS will have weekly transition meetings and use its biweekly executive management meetings to inform its commissioner on the transition.
- HHSC will have a team within its Office of Transformation, Policy, and Performance to monitor the progress of the transition of programs to TWC for HHSC's deputy executive commissioner for transformation. The deputy executive commissioner will report to HHSC's executive commissioner on a frequent and regular basis.

The transition teams developed the individual sections of this plan, which detail the major tasks and timelines necessary to successfully accomplish the transfer. The individual plan sections will be the basis of ongoing transition activities for each team and will be used by the steering committee to track the agencies' progress in fulfilling all necessary tasks by September 1, 2016. All timelines are rough estimates and will need to be adjusted as more is learned about the operations to be transferred. Individual plan sections address the following focus areas:

- Communications
- Human resources (HR)
- Finance
- Information technology (IT)
- Facilities
- Procurement and contracting
- Legal
- Policy and service delivery
- Data and performance reporting
- Regulatory integrity

The transition teams include staff from across several divisions within the agencies to ensure they have the appropriate knowledge sets to accomplish their tasks. Each team will be responsible for coordinating with other teams that have related responsibilities, and many of

those relationships are identified in the individual plan sections that follow. For example, ensuring VR counselors will be able to purchase services for their consumers without interruption will require the IT, Finance, Procurement and Contracting, and Policy and Service Delivery teams to work closely together. As such, the individual sections of this plan are interdependent. Differences in the breadth and depth of the individual sections reflect the fact that the staff responsible for performing transition activities developed the sections and some transferring functions will fit seamlessly into TWC's existing structure, such as IT and HR, while others will require expanding on TWC's current level of knowledge, such as procurement and contracting and leased facilities.

Next Steps

Over the next few months, the steering committee will develop a high-level timeline of major deliverables and milestones to use in reporting to each agency's leadership and the Oversight Committee on the overall progress of the transition. At the same time, the transition teams will develop specific work plans to guide their progress. These work plans will expand on the individual plan sections in this document to identify more detailed tasks, timelines associated with those tasks, and the appropriate team members to accomplish the tasks.

The teams will also begin to develop plans for integrating transitioning staff into the appropriate functional areas of TWC. These efforts will be made in conjunction with the HR and Communications teams to ensure staff are adequately informed of changes affecting them. High-level transition tasks for each team include the following:

- Determine organizational structure for integrating new staff resources;
- Evaluate staff skills and abilities and create a new organizational chart;
- Plan for any physical moves;
- Create or update department and daily operations budgets; and
- Conduct onboarding activities for staff transitioning from DARS to TWC.

This plan intends to cover all of the major tasks necessary to ensure the successful transfer of programs from DARS to TWC. However, as the agencies move toward the September 1, 2016, transfer date, unforeseen challenges are likely to occur that could impede the progress of the transition. The transition teams also may identify staffing or funding needs during the next year that were not anticipated in the General Appropriations Act. The steering committee will be closely monitoring the transition's progress and will be responsible for addressing unanticipated issues and bringing them to the attention of the agencies' leadership for resolution. The agencies will also keep the Oversight Committee informed of any significant issues that affect the progress.

This plan will likely change between now and March 2016, when it is incorporated into the larger plan for the health and human services consolidation, as required by SB 200. TWC, DARS, and HHSC will take input from the Oversight Committee and make adjustments to this plan before submission on March 1, 2016.

Suppositions and Guiding Principles

In developing this plan, DARS and TWC have made the following suppositions about the transfer:

- Staff—While vocational rehabilitation counselors and other program staff will become TWC employees on September 1, 2016, they will continue to operate in their current locations until TWC can integrate them into the Boards and Workforce Solutions Offices. All staff transferring from DARS to TWC will be paid on time and their benefits will transfer without interruption.
- Facilities and Infrastructure—TWC will assume responsibility for all of DARS' and HHSC's leased space, property, infrastructure, and information technology systems related to the programs that are transferring so consumers will continue to receive services without interruption. The three agencies will coordinate closely on the disposition of infrastructure and systems shared between programs transferring to TWC and programs transferring to HHSC.
- Programs—All programs will continue to operate as they currently do. Consumers will continue to work with the same counselors and staff and receive the same services. Once the transfer is complete, TWC will begin to implement changes to the programs based on the statutory and management action recommendations of the Sunset Advisory Commission.

DARS, HHSC, and TWC have set forward the following principles to guide the transition teams, and the agencies as a whole, in the transition process.

- The three agencies' organizational structures, functions, and systems will change and adapt as necessary to accommodate the movement of programs and staff to TWC.
- The agencies will always give consideration to the best way to accomplish the transition and not just to the current way of doing business.
- The agencies will make every effort to ensure that transition activities result in minimal disruption to consumer services and administrative operations.
- TWC will build an appropriately structured organization that facilitates the integration of programs and functions, creates clear lines of accountability for decision making, creates an environment of shared responsibility for success, and focuses on measurable outcomes for the organization and its consumers.
- The array of programs and administrative supports will not be diminished as a result of the transition process.
- The agencies will keep their leadership, staff, and stakeholders informed of the progress of the transition, and will adjust as necessary to ensure effective communications.
- The agencies will engage internal and external stakeholders to provide input for the development and implementation of the transition plan.
- Throughout the transition process, the agencies will make a concerted effort to both retain institutional knowledge and promote innovation.

Communications Plan

Transition Scope Overview

- To successfully transition the external relation functions of each program transferring from DARS to TWC prior to September 1, 2016, ensuring there is no impact to the availability and quality of services and information provided to DARS' consumers, stakeholders, media, policymakers and service providers.
- To develop an external communications plan to inform stakeholders, providers, and consumer groups about the transition process and any changes to service delivery.
- To develop an internal communications plan to keep DARS and TWC staff informed on the progress of the transition.

Timeline of Major Objectives

Major Objective	Start	Finish
Integrate all program-relevant external website content to TWC web style and voice.	10/01/2015	9/01/2016
Integrate consumer relations services and tracking systems (HEART Database)	9/01/2015	8/31/2016
Develop and implement a communications outreach plan.	10/01/2015	8/31/2016
- Pre-transition	10/01/2015	8/31/2016
- Post-transition	9/01/2016	12/31/2016
Integrate DARS social media channels to TWC: YouTube content, GovDelivery, and Facebook.	7/01/2016	8/31/2016
Rebrand all documents, publications, and online assets.	3/01/2016	9/01/2016
Consolidate governmental relations bill tracking and legislative implementation efforts.	6/01/2016	9/01/2016
Consolidate conference planning and media services functions.	6/01/2016	09/01/2016
Develop and implement internal communications.	9/01/2015	12/31/2016
- Pre-transition	9/01/2015	9/01/2016
- Post-transition	9/01/2016	12/01/2016
Develop communication strategies regarding the integration of the blind and general VR programs.	3/01/2016	9/01/2017

Summary of Major Objectives

The Communications transition team is considering all functions related to external relations services at TWC and external relations functions of the transitioning DARS programs. Additionally, the team is looking at the internal and external needs for communicating with staff and consumer groups during the transition. The team will address the following tasks.

Website Content Integration
The migration of external website content and Intranet content is being addressed by the IT team. That team will migrate all appropriate DARS static content and rebuild it using TWC's content management system (CMS) for the external website. High-level transition tasks identified by that team include the following:

- Identify DARS web page and document content that will be moved to TWC's website.
- Modify the TWC homepage and the website navigation structure to incorporate new content.
- Transform DARS content to match TWC web style guidelines, including verifying document accessibility.
- Create web page drafts in TWC's CMS to be published by the implementation date.

The Communications transition team will be heavily involved in this process through the web editing process to assist with rewriting the content in TWC's web style with the assistance of DARS staff to ensure proper sensitivity to the populations served by the program areas.

Consumer Relations Integration Plan
Consumer relations functions at DARS are currently logged and tracked through a shared system with HHSC called HEART. Consumer complaints and inquires come into the department through an 800 number, an inquiries e-mail distribution, fax, and U.S. mail. The entire DARS consumer relations team handles an estimated 4,000 to 5,000 inquiries per month including 30 to 50 complaints or legislative inquires. The team will need to determine what percentage of those inquiries are related to the transitioning program areas and whether there is a need to continue the HEART database for tracking those inquiries or they can be handled through TWC's online tracking system. Consideration will be given to maintaining access to historic information from the HEART database.

External Communications Outreach Plan
The Communications team will develop a joint agency communications plan to develop messaging and identify methodology to communicate with stakeholders, consumers, media, and policymakers. The team will review a draft of this plan in the fall of 2015. The plan will include a two-phase effort: pre-transition and post-transition strategies. The plan will work in coordination with the efforts of the Policy and Service Delivery team to inform stakeholders about public meetings regarding the integration of the blind and general VR programs.

Internal Communications Outreach Plan
The Communications team will develop an internal communications plan to develop messaging and identify methodology to inform current DARS and TWC staff of transition activities and timelines. The plan will include both pre- and post-transition communications strategies. The plan will also need to include communications regarding the integration of the blind and general VR programs. Specific information about how the new organization will function will be vital to staff moral and continued service to consumers.

Social Media Transition
The Communications team will look at social media channels and content to determine the best way to continue to reach the DARS network of social media followers, relative to the transferring programs. The team will need to determine if the channel content will follow the

transferring programs and if they should be continued as separate channels or if the content should be rolled into existing TWC channels. TWC social media guidelines and standards will be applied to DARS content regardless of which path is chosen. GovDelivery topic e-mail lists and administration that apply to the transitioning services will be added to TWC GovDelivery distribution lists and topic areas.

Rebranding Plan
All publications, forms, documents, and other print material will need to be republished with the TWC logo and branding applied. The Communications team will make a determination of cost and timeline associated with this effort as the transition progresses. Any online assets and applications will need to include the TWC branding. A determination of whether TWC's print and design services can handle publication needs formerly handled by the Texas Department of Aging and Disability Services (DADS) for DARS print materials will be made.

Legislative Tracking and Communication
A plan for consolidating legislative tracking and execution of legislative mandates will be developed for the transferring programs. Since most legislative directives will have been implemented prior to the transition, this plan will be for simple information and data sharing. An integrated plan for handling legislative inquiries also will be prepared and communicated.

Consolidate Conference Planning and Media Services
Media service resources that can be transferred from DARS to TWC will be identified and a plan for scheduling, facilitating, and funding of standing meetings, events, and conferences will be developed. The team also will evaluate whether TWC resources will be able to handle services currently being performed through DADS.

Human Resources Plan

Transition Scope Overview

The transition of approximately 1,800 employees (1,860.9 full-time equivalent positions) from DARS to TWC effective September 1, 2016, requires the close coordination of several agencies in addition to DARS and TWC, including the Texas Comptroller of Public Account's office, Employees Retirement System (ERS), HHSC, and State Office of Risk Management. The goal is to have no interruption of services to staff, including paying all employees accurately on schedule beginning October 3, 2016 (the first workday of the month following their transition to TWC).

TWC staff has initiated a review and comparison of DARS HR policies to TWC policies and is identifying differences. Recommendations of any significant policy changes will be forwarded to TWC's leadership for approval. TWC HR policies and procedures will be communicated to DARS staff transferring to TWC as soon as possible and that communication will continue through the end of the transition, in coordination with the Communications transition team. This will include communication by e-mail, telephone conference, web conferencing, in-person meetings, and newsletters. Training sessions, including new employee orientation will be conducted for incoming staff.

In coordination with the IT transition team, DARS employee records necessary for the legislative transfer will be uploaded into TWC's Comprehensive Human Resources and Payroll System (CHAPS). This will include the transfer of leave balances, requiring that DARS employees' time and leave must be entered and approved before August 31, 2016. TWC IT staff will facilitate a time-limited parallel testing by functional staff to ensure all data is correct and payrolls are accurate. Benefits data will be coordinated and received through ERS.

When TWC is authorized to obtain affected DARS staff information, HHSC and DARS staff will ensure all performance reviews are current and the last salary transactions are noted. Appropriate TWC staff will review and ensure DARS employees with current Americans with Disabilities Act needs, those on Family and Medical Leave Act (FMLA) leave or other special leave(s), and those receiving workers' compensation have the appropriate support. Additionally, TWC will review employee telecommuting agreements on file with DARS prior to September 1, 2016 to ensure any remote work arrangements continue to benefit TWC.

Timeline of Major Objectives

Functional Area	Category	Task Description	Begin Date	Projected End Date
HRM	Policy	Review and compare DARS/TWC policies. Make recommendations. Develop FAQs for DARS employees.	11/01/2015	1/11/2016
HR/FIN/IT	CHAPS/Employee Records	Crosswalk for employee data from DARS to TWC.	11/01/2015	2/29/2016
HRM	Hire New HR Staff	Hire and train additional HR staff to assist in transition and support of increased staff.	11/01/2015	2/29/2016
HRM	Communications/ Employee Relations	Engage DARS and TWC employees through meetings, newsletters, e-mails, and website postings.	1/01/2016	Ongoing
HR/FIN /IT	CHAPS	Obtain current HR/Payroll/Time & Labor/Training data from all databases and Security/WC/ Benefits data from DARS, CPA, ERS, and SORM. Parallel test in CHAPS test region April–June.	3/01/2016	6/30/2016
HRM	Training	Notify DARS management of TWC policy and procedures.	6/01/2016	7/29/2016
HR/IT	CHAPS/Employee Records	Identify DARS employees' status: FMLA, Performance Appraisal, Telecommuter, Special Leave, and Workers Compensation.	6/01/2016	8/31/2016
HR	CHAPS	With agreement among the three agencies, implement a management approval process for filling vacant administrative positions at central office.	3/01/2016	8/31/2016
T&D	Training	Offer Managing Transition training to DARS and TWC managers.	3/01/2016	10/31/2016

Functional Area	Category	Task Description	Begin Date	Projected End Date
T&D	Training	Offer Transitional Motivation (change management) training to DARS and TWC employees.	3/01/2016	10/31/2016
HRM	Training	Train DARS employees on TWC policy and procedures.	7/01/2016	9/30/2016
HR/IT	CHAPS	Verify that all DARS employees' leave is entered and updated. Convert most current DARS employees' data to CHAPS.	8/11/2016	8/31/2016
HRM	Training	New Employee Orientation presentations for DARS staff.	8/15/2016	Ongoing
HR/Payroll	Employee Records	Audit benefit and payroll data for all employees to ensure accuracy of payroll.	9/01/2016	Ongoing

Significant Concern to Address for Successful Transition

- Human Resources expects to need additional staff and resources to accomplish the transition tasks and provide long-term support for transitioning employees.

Finance Plan

Transition Scope Overview and Objectives

The transition of DARS financial processes into TWC financial operations, effective September 1, 2016, will involve four major areas of integration: System Integration, Budget Development, Payment Processing, and Financial Reporting. Several tasks within these areas will require coordination with the Human Resources, Facilities, Procurement and Contracting, IT, and Policy and Service Delivery transition teams.

System Integration

The first objective is to identify DARS system interfaces such as the Health and Human Services Administrative System (HHSAS), the contracting system that will replicate the functionality of the Health and Human Services Contract Administration and Tracking System (HCATS), and those used with the Texas ReHabWorks case management system and reconfigure them to process payments in the TWC accounting system, Centralized Accounting and Payroll & Personnel System (CAPPS). Modifications to CAPPS may be necessary to ensure appropriate budgeting and expending of program resources. TWC cost allocation modifications will be necessary to account for VR administrative and program expenses.

Budget Development

The second major objective is to coordinate the development of the 2018–2019 Legislative Appropriation Request (LAR) and 2017 Internal Operating Budget. The LAR and operating budget will include those programs currently administered by TWC with the addition of the programs transferring from DARS, and will be developed while staff and funding exist in separate agencies. TWC and DARS will work with the RSA to ensure that the transfer of programs to TWC meets the federal guidelines outlined in Technical Assistance Circulars 12-03 and 13-02. TWC will meet all requirements of LBB and the Governor's Office for the LAR and may need to update its LAR submission in December 2016 or January 2017 to incorporate changes necessitated by the transition process.

Payment Processing

The third major objective is to ensure DARS staff transitioning to TWC can procure items and process payments. This will include training for transitioning staff on the use of the TWC accounting system. Additionally, TWC will determine if current payment processing procedures are adequate to ensure the uninterrupted delivery of consumer services.

Financial Reporting

The fourth major objective is to ensure required federal and state financial reports continue to be compiled and submitted timely and accurately. This will involve transitioning relevant historical contracting, purchasing, and financial information.

Timeline of Major Objectives

Functional Area	Major Task	Task Deliverables	Begin Date	Projected End Date
System Integration	Interfaces	Identify, code, and test major HHSAS interfaces.	11/01/2015	8/31/2016
System Integration	System Modifications	Identify, code, and test major HHSAS modifications.	11/01/2015	8/31/2016
System Integration	Chart of Accounts	Identify and make needed accounting system field changes from HHSAS to CAPPS.	11/01/2015	8/31/2016
System Integration	Chart of Accounts	Identify and load HHSAS vendors needed in CAPPS.	4/01/2016	7/31/2016
System Integration	Historical Data	Identify and migrate DARS historical data to migrate to CAPPS.	1/01/2016	8/31/2016
System Integration	Current Data	Identify and migrate DARS purchase orders (POs), contracts, and budget to CAPPS.	4/01/2016	8/31/2016
System Integration	Asset Management	Establish contracts module in CAPPS.	9/01/2015	11/30/2015
System Integration	Asset Management	Identify assets to transfer.	2/01/2016	8/31/2016
System Integration	Cost Allocation	Identify changes and modify cost allocation plan methodology.	1/01/2016	8/31/2016
System Integration	Time Sheet Reporting	Train staff on time sheet reporting.	7/01/2016	9/30/2016
System Integration	Hard Copy Documentation	Identify location and process for storing hard copy financial records.	4/01/2016	8/31/2016
Budget Development	LAR/Operating Budget	Identify exceptional items for 2018–2019 LAR.	1/01/2016	9/30/2016
Budget Development	LAR/Operating Budget	Develop 2018–2019 LAR/2017 Operating Budget.	1/01/2016	9/30/2016

Functional Area	Major Task	Task Deliverables	Begin Date	Projected End Date
Budget Development	LAR/Operating Budget	Develop IAC to fund transition cost.	9/01/2015	11/01/2015
Budget Development	LAR/Operating Budget	Load DARS budget into CAPPS and appropriation into the Uniform Statewide Accounting System (USAS) and ReHabWorks.	6/30/2016	7/01/2016
Budget Development	LAR/Operating Budget	Work with RSA to transfer federal grants.	4/01/2016	8/31/2016
Budget Development	LAR/Operating Budget	Identify and document end-of-month procedures.	3/01/2016	8/31/2016
Budget Development	LAR/Operating Budget	Identify and document end-of-year procedures.	3/01/2016	8/31/2016
Budget Development	LAR/Operating Budget	Determine methodology for processing major payments (SWCAP, DCS, SORM).	6/01/2016	9/30/2016
Budget Development	LAR/Operating Budget	Transfer local DARS bank accounts to TWC.	4/01/2016	8/31/2016
Budget Development	LAR/Operating Budget	Closeout DARS travel advance account, and increase TWC account.	7/01/2016	9/30/2016
Budget Development	Payroll	Hire new payroll staff.	4/01/2016	6/30/2016
Budget Development	Payroll	Modify system for shift differential.	1/01/2016	2/28/2016
Budget Development	Payroll	Parallel test payroll for DARS employees in TWC.	3/01/2016	6/30/2016
Budget Development	Federal Funds Cash Access	Gain Access to Federal Cash.	5/01/2016	8/31/2016
Budget Development	Rate Setting	Establish process for MAPS rate setting.	1/01/2016	8/31/2016
Payment Processing	E-Pro Purchasing Module	Train DARS staff on E-Pro and CAPPS for administrative purchases.	5/01/2016	8/31/2016

Functional Area	Major Task	Task Deliverables	Begin Date	Projected End Date
Payment Processing	Leases and Fixed Assets	Identify leases and fixed assets.	1/01/2016	3/31/2016
Payment Processing	Leases and Fixed Assets	Coordinate with HHSC to migrate leases and fixed assets into CAPPS.	4/01/2016	8/31/2016
Payment Processing	Payment Procedures	Identify and document payment procedures inclusive of data validation for payments made from contracts.	3/01/2016	6/30/2016
Financial Reporting	Federal, State, and Management Reports	Identify and document federal and state reports.	1/01/2016	6/30/2016
Financial Reporting	Federal, State, and Management Reports	Identify and develop management reports and queries needed.	1/01/2016	9/30/2016
Financial Reporting	DUNS Numbers	Establish new DUNS numbers for DARS/TWC transfer.	4/01/2016	8/31/2016
Financial Reporting	Annual Financial Report	Develop AFR plan.	6/01/2016	7/31/2016

Significant Concerns to Address for Successful Transition

- Develop an interagency contract between DARS, HHSC, and TWC to fund the IT transition cost.
- Determine if financial resources are available to finance one-time transition costs in FY’16.

Information Technology Plan

Transition Scope Overview

To seamlessly transition all applicable DARS/HHSC IT systems and/or information supporting VR and other services and staff to TWC before September 1, 2016, ensuring there is no impact to availability and quality of services for DARS consumers, employees, contractors, and partners.

Timeline of Major Objectives

Task Name	Start	Finish
Integrate Financial Systems	9/01/2015	8/31/2016
Integrate Human Resources System	9/01/2015	8/31/2016
Integrate Applications	9/01/2015	8/31/2016
- Vocational Rehabilitation Applications	9/01/2015	8/31/2016
- Other Applications and Interfaces	9/01/2015	8/31/2016
Prepare IT Infrastructure	9/01/2015	9/01/2016
- Network	9/01/2015	8/15/2016
- Active Directory, E-mail and Server Support	9/01/2015	8/01/2016
- Security	1/01/2016	9/01/2016
- IT Goods and Services Contracts	1/01/2016	5/01/2016
- Database Administration	1/01/2016	9/01/2016
- Helpdesk/IT Service Management Support Services	9/01/2015	5/31/2016
- Data Center Services/Invoicing	1/01/2016	8/01/2016
- Disaster Recovery	9/01/2016	9/01/2017
Integrate Web Content	9/15/2015	9/01/2016
- Internet	10/01/2015	9/01/2016
- Intranet	9/15/2015	9/01/2016
Consolidate Planning for Existing and Future IT Projects	9/01/2015	12/31/2016
Plan Consolidated IT Services	9/01/2015	8/31/2016

Summary of Major Objectives

The TWC IT Division is addressing seven focus areas with the major objectives of successfully transitioning applicable DARS/HHSC IT functionality supporting VR and other programs and providing seamless IT support for all TWC and DARS business areas and consumers.

1. Integrate Financial Systems

All applicable DARS financial information will be integrated into TWC's PeopleSoft Financial system and automated financial processes aligned. All state agencies under the U.S. Department of Health and Human Services (HHS) use the Health and Human Services Administrative System for Financials (HHSAS Financials). The current HHSAS Financials technology platform is a modified version of PeopleSoft 8.8. DARS is the business owner of its HHSAS Financials database and is responsible for all chart field and budget configuration and maintenance, along with agency-specific reporting needs and the related business processes that support the configurations. The HHSC IT Enterprise Support Center provides technical maintenance, support, and enhancement of HHSAS Financials for all HHS agencies. The IT transition team will need to determine what business processes DARS uses in its financial system and how those processes will fit into the TWC version of CAPPS. The team will coordinate with the Finance transition team on these tasks.

High-level transition tasks include the following:

- Obtain relevant DARS financial system documentation and sample data for analysis. Implement an interagency contract for data exchange.
- Analyze chart fields and budgets and determine how they will be integrated with TWC's existing configuration. Load initial configurations into CAPPS.
- Identify any modules used by DARS that TWC has not yet implemented and determine whether or not these will be incorporated into TWC's processes. Implement agreed upon modules/processes.
- Identify and implement all necessary external and internal interfaces and/or dependencies.
- Create a historical database to house existing DARS data for reporting purposes and import the data. Only data obtained after September 1, 2016, will be incorporated into TWC's production financial system.
- Integrate relevant DARS contracts into PeopleSoft (if that is the direction that is decided upon).

2. Integrate Human Resources System

All applicable DARS HR information will be integrated into TWC's PeopleSoft Human Resources system and automated processes aligned. The HR technology platform for all HHS agencies is PeopleSoft version 9.1 – CAPPS HCM. Currently, the Comptroller of Public Accounts (CPA), through an interagency contract with HHSC, hosts DARS' HR data. HHSC IT is transitioning hosting of HHS agencies HR back in-house with scheduled completion in March 2016. The transition from CPA to HHSC IT hosting, support, and maintenance includes an upgrade to CAPPS 9.2. TWC operates CHAPS on PeopleSoft version 9.1. The team will coordinate with the HR transition team on these tasks.

High-level transition tasks include the following:

- Obtain DARS HR system documentation and sample data for analysis from HHSC/CPA.
- Establish appropriate means for data exchange that would allow CPA to share needed information to effectively transfer staff from DARS to TWC.
- Determine version differences and how they will be handled.

- Identify and implement all necessary external and internal interfaces and/or dependencies.
- Identify any modules used by DARS that TWC has not yet implemented and determine whether or not these will be incorporated into TWC processes. Implement agreed upon modules/processes. Determine how much of DARS' existing HR data will need to be imported and map those import processes (e.g., "reports to," payroll history, training history).
- Create a historical database to house existing DARS data for reporting purposes and import all of the relevant DARS historical data into CHAPS.
- Identify and incorporate any new modules needed.

3. Integrate Applications

Program Applications
Modify applications associated with the programs transferring to TWC as needed and migrate those applications to TWC. Within the VR program, DARS will transfer the following systems to TWC: Texas ReHabWorks, ReHabWorks Data Warehouse, legacy Texas Works, and Texas Review and Oversight Coaching System (TxROCS). All of these applications currently use DARS Active Directory as the security layer for staff to access. DARS staff transitioning to TWC will no longer be part of the HHSC Active Directory (AD) and, as a result, security modifications will be necessary. Integration with other systems, such as contracts, purchasing, and finance, must be modified to both integrate with TWC while maintaining applicable interfaces with HHSC systems. These applications will run in place on existing hardware with support from existing staff. The IT transition team will coordinate with the Procurement and Contracting transition team on some of these tasks.

High-level transition tasks include the following:
- Modify application security to allow TWC, HHSC, and external providers to access applications.
- Develop new front-end logon screens for each application.
- Analyze application security roles and determine necessary changes to ensure users are only able to view or update data that is for their specific case types.
- Determine which contracting system ReHabWorks will interface with and make needed changes:
  - TWC's Contract Administration & Tracking System (CATS);
  - TWC's PeopleSoft Contracts Module; or
  - HHSC Contract Administration & Tracking System (HCATS).
- Modify ReHabWorks to use TWC's HR systems for employee information.
- Modify ReHabWorks interfaces inbound and outbound with purchasing and financials (e.g., equipment purchases for VR consumers). The IT team will take the lead on modifications to ReHabWorks, in coordination with the Finance team.
- Re-architect data warehouse to partition TWC and HHSC data.
- Modify TWC's application security to allow TWC and transitioned DARS staff access to applications through HHSC AD and allow HHSC and non-transitioning DARS staff to access applications through a secure Internet sign on.
- Modify several interface programs to use secure transfer protocols when personally identifiable information is present.

Other Applications and Interfaces
Modify applications other than VR applications as needed and migrate to TWC. There are several applications, modules, processes, and interfaces within the DARS Application Portfolio other than VR applications that will transfer to TWC. These applications will largely transfer as is and run in place on existing hardware with support from existing staff. As transitioning staff will no longer be part of DARS AD, some security modifications may need to be made.

High-level transition tasks include the following:
- Simplify internal interfaces where possible and add to standard agency scheduling mechanisms.
- Add new office locations to Directory of Workforce Solutions Offices & Services web page and modify title as necessary.
- Add DARS information related to the transferring programs to existing TWC extract, transform, load processes for performance analysis and reporting.
- Perform analysis of administrative systems used by transitioning staff and identify replacements such as training, complaint tracking, legislative tracking, and driver tracking.

4. Prepare IT Infrastructure

Network
Provide connectivity to TWC's systems and applications for transitioning DARS staff.

High-level transition tasks include the following:
- Establish network connectivity between DARS and TWC locations to include DARS Wide Area Network (WAN).
- Procure network hardware and data circuits and establish new network connections into the Data Center Services (DCS) consolidated data center.
- Establish network configurations to include, but not limited to, Internet Protocol (IP) addressing schemes, network designs, security solutions, and performance monitoring.

Active Directory, E-mail, and Server Support
Design and create a Local Area Network (LAN) to include AD that will incorporate DARS staff, workstations, e-mail, and servers.

High-level transition tasks include the following:
- Design and create a new AD that includes staff user IDs, user groups, folders, access authority, and login scripts.
- Design and merge DARS e-mail accounts for transitioning staff into TWC's Office365 cloud e-mail environment.
- Configure TWC's AD management tool to support software distribution, security patching, system administration desktop tools, and reporting.
- Inventory DARS mobile devices and determine if a mobile device management system will be required or if current management configurations and tools will suffice.

- Determine if DARS desktops/printers and configurations are compatible with TWC's network, AD, and security requirements.
- Determine server types and support for any non-DCS servers. (*Note*: DCS-related servers are covered below.)
- Ensure support for e-mail encryption to allow for protected communication between agency staff and service providers regarding consumer services.

Security
TWC and DARS security programs and environment will be modified to support requirements for both agencies. Initial signing of agency required security forms must be completed before full transition engagement.

High-level transition tasks include the following:
- Modify security standards guideline and policy changes to comply with existing and new regulations for both agencies.
- Purchase and install TWC-owned security certificates on DARS application servers.
- Evaluate TWC and DARS security tools, determine which tools will be used and where they will be located.
- Determine, purchase, and distribute the best-secured removable media for both agencies.
- Determine and make required Texas Department of Information Resources security reporting as needed.

IT Goods and Services Contracts
Renew and/or transfer current DARS goods and services (i.e., software, hardware, and services) contracts to TWC as appropriate. Health and human services IT contracts and interagency agreements for IT services for programs transferring from DARS also need to be reviewed. Determine if any contracts are nontransferable, will be cancelled after transition, or will incur a penalty, repurchase, or reinstatement cost for transfer. This process must be completed by May 1, 2016, to allow time for TWC's annual renewal process. The IT team will coordinate with the Procurement and Contracting transition team on some of these tasks.

High-level transition tasks include the following:
- Determine the affected contracts.
- Determine current contract owners (DARS, HHSC, or DCS).
- Obtain vendor information for all contracts.
- Determine if contract is transferable or if it will be renewed.
- Transfer all transferable contracts.
- Execute Right to Operate letters to DCS vendors.
- Determine renewal cycles and length of existing maintenance agreements.
- Purchase replacement contracts for nontransferable contracts.
- Designate appropriate contract managers who are Certified Texas Contract Managers.

Database Administration
DARS database support functions for transferring programs will be integrated with TWC's, including making necessary changes to database environment and monitoring. This includes

determining the number and types of databases, any required upgrades or conversions, and defining support roles and application and database interfaces.

High-level transition tasks include the following:

- Determine number of database types, versions, and complexity (e.g., Oracle, SQL server, Informix).
- Determine number of applications using databases and identify interfaces with other applications or databases.
- Determine tools being used to monitor and manage DARS databases.
- Determine which databases are being transferred to TWC control.
- Determine if any of the databases include a batch job component.
- Determine if any databases need to be converted or upgraded.
- Determine current database support responsibilities for physical and logical database functions (DCS, HHSC, DARS, or other parties).

Helpdesk/IT Service Management Support Services

DARS helpdesk, application support, and identity management processes for the transferring programs will be migrated into TWC's environment. This will require understanding the DARS support model, identifying critical applications, and ensuring that the TWC and DARS support model and tools are compatible.

High-level transition tasks include the following:

- Determine the functionality of the current DARS helpdesk support tool to identify how requests are tracked and whether assets are included in the system, clarify the change process, and identify if there are any other support tools used.
- Determine the support model and DARS' role in supporting DCS requests and incidents.
- Discover the processes and tools used for identity management.

Data Center Services and Invoicing

The applicable DARS DCS environment will be transferred to TWC, including consolidated data center network changes, server, contact information, major incident handling, service and change requests, invoicing, configuration management database (CMDB), security, backups, and disaster recovery. Additionally, the network configuration must be examined and required changes determined.

High-level transition tasks include the following:

- Design the new DARS/TWC combined network and implement new firewall rules as needed; determine IP addressing schemes and ensure that the new network design meets security requirements and provides adequate performance.
- Determine if servers need to be moved and make necessary modifications to meet agency critical application disaster recovery requirements.
- Modify the CMDB to reflect any configuration, ownership, and billing information changes.
- Update the DCS portal to reflect new contact information for DARS and TWC.
- Update DCS and TWC major incident management information.

- Make necessary changes to the DCS support center for submitting requests and incidents.
- Change relevant DARS assets to TWC's ownership, including naming conventions.
- Identify changes to the TWC invoicing system for billing and chargeback requirements.
- Make required changes for DCS security, including signing of TWC security documents, establishing access, changing security certificates, and modifying security exceptions as needed.
- Analyze DARS current backup and retention strategies and make adjustments as needed.

Disaster Recovery
DARS recovery procedures will be integrated into TWC's IT Disaster Recovery Plan and the necessary adjustments to meet TWC and National Institute of Standards and Technology (NIST) standards will be made. This will include modifying existing recovery plans, identifying new recovery plans, determining DARS critical applications, and any dependencies on HHSC applications or infrastructure environment. Since both TWC and DARS currently have effective disaster recovery plans in place, and DARS' plan will transfer to TWC on September 1, 2016, the IT team believes the integration of the two agencies' plans can occur after the transfer without any negative impact to IT systems.

High-level transition tasks include the following:
- Conduct a Business Impact Analysis (BIA) to determine DARS critical applications, if not known.
- Identify the servers supporting DARS critical applications.
- Determine each application's current DCS disaster recovery classifications, including server fail over environment, backup strategy, retention requirements, and testing schedule, if any.
- Make necessary changes to the DARS server environment to support recovery for critical applications.
- Make necessary changes and additions to the DARS disaster recovery plan or create a new plan if one does not exist.
- Submit required DCS request for service for hardware to support recovery and make the necessary changes to the DCS CMDB.

5. Integrate Web Content

Internet
DARS website content relevant to the transferring programs will be integrated into TWC's website. The DARS website is static. TWC's website is in Drupal CMS. The IT team will coordinate with the Communications transition team on these tasks.

High-level transition tasks include the following:
- Identify DARS web page and document content that will be moved to TWC's website.
- Modify the TWC homepage and the website navigation structure to incorporate new content.
- Transform DARS content to match TWC web style guidelines, including verifying document accessibility.
- Create web page drafts in TWC's CMS to be published on the implementation date.

Intranet
DARS Intranet content relevant to the transferring programs will be integrated into TWC's Intranet. The DARS Intranet is currently on SharePoint 2007 (on premise). DARS will be converting to SharePoint 2013 Online on premise by December 2015. TWC's Intranet is on Linux web servers. TWC has SharePoint 2013 Online. TWC will investigate moving DARS content into TWC's current Intranet environment.

High-level transition tasks include the following:
- Identify DARS web page and document content that will be moved to TWC's Intranet.
- Create combined navigation structure.
- Move the content and keep it in draft mode until approval to move to production.
- Verify accessibility of all content.

6. Consolidate Planning for Existing and Future IT Projects (LAR and Project Portfolio)

DARS and TWC IT existing project portfolios and future project selection will be consolidated. Budget planning for FY'17–19 will occur in FY'16, so planning must occur pre-transition for budgets that are post-transition. The IT team will perform consolidated IT project selection and budgeting for FY'17–19 and integrate applicable project management and quality assurance processes and tools. The team will coordinate with the Finance transition team on these tasks.

High-level transition tasks include the following:
- Merge TWC and applicable DARS project portfolios and assess timeline or resource impacts.
- Assess capacity for future projects.
- Collaborate on future project selection and consolidate TWC/DARS IT project budgets for the FY'18–19 LAR and FY'17 daily operations budget requests.
- Assess DARS and TWC best practices and tools for project management and quality assurance, and integrate as applicable.
- Provide initial training to transitioning staff on key required TWC processes and tools.

7. Plan Consolidated IT Services

DARS and TWC existing IT services will be consolidated and a consolidated services catalog created. Overall planning includes administrative activities, so IT services offered by DARS, but not by TWC, must be assessed and vetted before determining the organizational structure.

High-level transition tasks include the following:
- Identify and assess IT services offered by DARS, including extent, depth, and level of each service.
- Develop recommendations and related plans to merge DARS and TWC IT services and assess timeline or resource impacts.

Significant Concerns to Address for Successful Transition

- Other key projects—either TWC- or DARS-driven—may be delayed due to staff resources being diverted to focus on DARS transition activities.
- There is a risk of losing DARS staff with knowledge of the transitioning systems. A staff transition plan needs to be developed, approved, and published.

Facilities Plan

Transition Scope Overview

This plan outlines the objectives, timeline, and milestones for the transition of all facilities, facilities operations, records management and storage, security, telecommunication equipment and operations, business continuity, maintenance operations, and warehousing operations of the programs transferring from DARS to TWC. It also describes the transfer of all facilities leases and tangible equipment associated with the transferring programs and the proposed method for seamless transition of asset, staff, and operations while maintaining continued and uninterrupted service to both agencies during that transition. All effort and consideration will be given to providing continuous quality service to consumers throughout the process.

Currently, DARS Support Services provides services relative to facilities, facilities maintenance for the Criss Cole Rehabilitation Center, and equipment warehousing and distribution for the Business Enterprises of Texas Program. Additionally, HHSC and the Texas Facilities Commission (TFC) provide services to DARS for facilities leases, state-owned facilities, facilities maintenance, and facilities modifications or build-out as required. Note that DARS telecommunication responsibilities are under IT purview, the phone system is VOIP, and the telecom transition will impact other health and human services agencies.

DARS administers its operations out of the DARS Administration Building, 4800 North Lamar Boulevard; the Brown Heatly Building, 4900 North Lamar Boulevard; and the Criss Cole Rehabilitation Center, 4800 North Lamar Boulevard, all in Austin. DARS also shares warehouse space at the state warehouse facility on West North Loop Boulevard in Austin. It is TWC's understanding that the DARS Administration Building, the Brown Heatly Building, and the warehouse facility are managed by TFC. The Criss Cole Rehabilitation Center is managed and maintained by DARS staff. DARS also maintains a quantity of leased colocated and stand-alone facilities in regional field locations. Based on the information to date, the number of these facilities is between 145 and 148.

DARS equipment includes motor vehicles, mainly used for the Criss Cole Rehabilitation Center and the Business Enterprises of Texas Program, office furniture, fixtures, and other equipment used in Austin facilities and regional field locations.

To facilitate any lease space consolidation, existing spaces will be analyzed by size, full-time employee count, location, and cost. A priority list will be established and a site visit completed based on ranking of the facilities.

Transition Plan Objectives

Transition plan objectives for transferring programs are the following:

- Work with DARS, TFC, and HHSC to assume obligations on all transferring leased facilities to include leases, utilities, janitorial service, maintenance, and other related expenses as appropriate; establish areas of responsibility for each agency post-transfer. Leased facilities will be evaluated to determine if they are facilities to be transferred or facilities requiring agency contract for pro rata use.

- Perform space analysis of DARS administration facilities in Austin to look for opportunities for consolidation.
- Analyze all leased space for lease terms, cost, and location for use in possible consolidation with existing TWC facilities to obtain the best value for the state while providing access to consumer populations. In the long term, develop planning for efficient, cost effective use of all facilities.
- Facilitate the transfer of furniture fixtures and equipment in use by transferring DARS staff without disruption of ongoing operations. In the long term, develop budget and planning for future needs and equipment replacement as required.
- Determine record storage requirements and facilitate transfer of archived data. In the long term, provide planning for future needs.
- Facilitate the transfer of appropriate telecommunication equipment and operations from DARS to TWC. As shared equipment is transferred to TWC, systems design, budgeting, and ordering lead times must be identified. *Note*: In some instances, equipment is shared with remaining HHSC agencies. In the Brown Heatly Building, HHSC is the primary equipment user and may have purchased some of it.
- In the long term, research opportunities for consolidation of services and service providers in the merger of TWC with DARS programs to obtain best value with most efficient operation.
- Complete transfer of the Criss Cole Rehabilitation Center and provide management for all maintenance and planned modifications. In the long term, develop budget and planning for facility maintenance and modifications as required.
- Develop a plan to rebrand building signage and directional signs at leased facilities around the state, as well as at state-owned buildings such as the Criss Cole Rehabilitation Center and DARS Administration Building.
- Determine the inventory of DARS equipment currently being warehoused for support of transferring staff and programs and facilitate the transfer of that material to TWC. In the long term, study opportunities for warehousing all DARS and TWC material at a single location.

Timeline of Major Objectives

The Facilities team has divided the transition process into the following four segments:

1. Information gathering—September 1, 2015, through February 29, 2016.
2. Analyze and organize—March 1, 2016, through August 31, 2016.
3. Implementation or transfer—June 1, 2016, through August 31, 2016.
4. Operate and maintain—ongoing, beginning September 1, 2016.

The information-gathering phase will provide detailed insight into DARS operations and an accurate inventory of all property or equipment. Analysis of that information will determine the most efficient means of transfer and/or consolidation. Inventory is normally performed in May and reconciled over the next few months; the Facilities team suggests transfer take place after reconciliation, ideally in August. TWC will work with DARS, HHSC, and TFC to develop a detailed action plan to facilitate a seamless transition with minimal disruption to the agencies.

Suppositions

Facilities transition is based on the following suppositions:

- TWC will assume responsibility of all stand-alone and colocated leased facilities, including utilities, maintenance, and required or requested modifications. An agreement will be developed for use of shared facilities.
- TWC will make efforts to identify opportunities for consolidation of staff and operations during transition.

Procurement and Contracting Plan

Transition Scope Overview

This plan discusses the transition of all procurement and contracting activities that support DARS administrative and consumer services for the programs transferring to TWC, including procurement and contract administration, management, oversight, and monitoring. As an interim measure before the full transition occurs, TWC may require time-limited access to HHSC procurement and contracting systems to ensure continuity of service delivery.

Transition Plan Objectives

Objectives for transferring contracts as well as procurement and contract management resources are as follows:

1. Ensure no disruption of consumer services by facilitating an effective transfer of DARS contracts to TWC, including identifying any contracts at risk of expiring without timely renewal or re-procurement.
2. Ensure transfer of complete, accurate procurement and contract data to include contracts and all purchase orders by working in advance with TWC HHS IT and subject matter experts.
3. Ensure effective procurement and contracting practices by implementing procurement and contract management systems and staffing to properly resource, execute, and sustain DARS procurement and contracting practices.
4. Ensure coordinated efforts among transition teams that impact procurement and contracting, such as IT, Legal, Finance, Policy and Service Delivery, and Data and Performance Reporting.
5. Ensure specific policies, procedures, and forms that transfer to TWC support and sustain the timely delivery of consumer services by TWC.
6. Communicate with DARS contractors and service providers to ensure they understand any impacts of the transition.

Timeline of Major Objectives

Major Objective	Start	Complete
Identify current resources, processes, procedures, and terminology.	9/04/2015	10/31/2015
Inventory contracts supporting the programs that will transfer.	9/01/2015	11/30/2015
Conduct Fit-Gap Analysis of TWC and DARS procurement and contracting services.	9/04/2015	11/30/2015
Determine procurement and contracting systems.	9/10/2015	11/30/2015
Identify laws, rules, and requirements related to procurement and contracting.	9/04/2015	09/30/2015
Determine TWC's authority to assume DARS contracts and use open enrollment or other procurement method that supports DARS services.	9/04/2015	10/15/2015
Develop plan to transition DARS contracts and payment processes from HCATS/HHSAS to TWC contracting and payment systems.	12/01/2015	3/01/2016
Merge and modify TWC/ DARS/HHSC procurement and contracting manuals, operating procedures, and templates.	11/01/2015	3/31/2016

Major Objective	Start	Complete
Develop revised processes and procedures.	4/06/2016	8/31/2016

Summary of Major Objectives

Define current resources, processes, and terminology

- Define and inventory contract types and procurement methods at TWC and DARS (e.g., grants, procurement, data sharing agreements, etc.).
- Review resources, policies, processes, systems, and procedures at TWC, DARS, and HHSC.
- Identify applicable DARS and HHSC procurement and contracting rules, laws, and regulations.

Gap analysis

- Identify differences between the agencies to support procurement and contracting functions.
- Determine necessary modifications to rules, plans, agreements, resources, and processes to address identified gaps.

Determine resources and revised processes and procedures

- Document an operational framework for procurement and contracting.
- Determine time frames for procurements, extensions, renewals, and new agreements.

Review, merge, and modify TWC/DARS/HHSC procurement and contracting manuals, operating procedures, and templates

- Review and modify to create best practices.
- Train staff on new processes.

Determine contract management system

- TWC currently uses the CATS system to store contracts. DARS uses the HHSC HCATS tracking system. The Procurement and Contracting team will determine what is necessary for ongoing contract monitoring, evaluate alternates, and implement the appropriate system (e.g., CATS, HCATS, PeopleSoft Contracting) through the following steps:
- Evaluate the current contract systems being used by both TWC and DARS/HHSC, and other systems available in the industry and select the most appropriate system(s) to use for contract management tracking; and
- Implement the system by:
  - determining if historical information will be loaded into the new system;
  - providing connectivity between the contracting system and other automated systems including Texas ReHabWorks and TWC PeopleSoft Financials; and
  - training staff on the new system.

Significant Concerns to Address for Successful Transition

- Identify procurement and contract management system to be used for contracting support and required reporting.

- Ensure contracts that need to be renewed or re-procured do not expire during the transfer, resulting in loss of consumer services.
- Sufficient resources for purchasing, procurement, contract management, and contract monitoring must be available to support DARS programs to ensure provision of consumer services and procurement of administrative goods and service.

Legal Plan

Transition Scope Overview

- Ensure that the transition of DARS programs and applicable staff affected by SB 208 occurs timely and consistent with legislative directives and federal requirements.
- Develop a data-sharing agreement to facilitate access to DARS, HHSC, and TWC information systems by explicitly allowing two-way connectivity and access to the parties' systems and the information contained therein, as well as system transfers, to the extent applicable, including the following:
  - Personnel and payroll systems;
  - Financial systems;
  - Contract management systems;
  - Consumer service and/or case management systems;
  - IT service management systems; and
  - Other systems that support the administration of business functions.
- Identify and transition all DARS litigation affected by SB 208, including VR appeals, internal administrative litigation or HR-related matters, and any external litigation involving the Office of the Attorney General (OAG), no later than September 1, 2016, ensuring there is no impact to litigants, whether DARS consumers, employees, or others.
- Identify and transition all DARS contracts and grants affected by SB 208 no later than September 1, 2016, ensuring there is no impact to DARS consumers, partner agencies, vendors, contractors, grantees, or others.
- Identify and transition relevant historical program-related documents, to ensure compliance with state-required retention schedules, as well as the Public Information Act.
- Provide legal support and advice to ensure compliance with SB 208 and the following, as applicable:
  - Texas Administrative Code provisions applicable to each agency;
  - Texas Labor Code requirements;
  - Human Resources Code provisions;
  - Pertinent state laws;
  - WIOA;
  - Rehabilitation Act of 1973, as amended; and
  - Office of Management and Budget's Uniform Guidance, as codified in 2 CFR Part 200.

Timeline of Major Objectives

As the legal functional area may overlap tasks undertaken by the Procurement and Contracting, Regulatory Integrity Division, and Policy and Service Delivery transition teams, to the extent that the topics and deadlines shown below are determined to conflict with tasks identified by those areas, the Legal team will work to support those groups and timelines will be modified accordingly.

Major Objective	Start	Finish
Develop Data-Sharing Agreement to provide access to DARS, HHSC, and TWC systems, as necessary; ensure proper signatures are in place by effective date.	9/01/2015 Effective date of agreement.	3/01/2017 Retain in place, as necessary post-transition, to ensure all systems are fully transitioned.
Initial identification of current DARS litigation by type and volume: • Internal administrative litigation • Internal HR-related litigation • External litigation	9/01/2015	10/01/2015
Develop spreadsheet to identify caseload/workload by attorney handling any DARS-related litigation to ensure seamless transition.	9/01/2015	1l/15/2015
Initial identification of current DARS contracts and grants by type and volume, including any Request for Proposals in process: • Open-enrollment contracts • Hearing officer contracts • Other DARS contracts • Memoranda of Understanding (MOUs) or Inter-Agency Contracts (IACs)	9/01/2015	10/01/2015
Mid-year evaluation of DARS litigation to ensure information stays current: • Internal administrative litigation • Internal HR-related litigation • External litigation	3/01/2016	3/15/2016
Mid-year evaluation of DARS contracts and grants to ensure information stays current: • Open-enrollment contracts • Hearing officer contracts • Other DARS contracts • MOUs or IACs	3/01/2016	3/15/2016
Identify legal issues, if any, regarding Business Enterprises of Texas program development.	9/01/2015	10/01/2015
Coordinate with DARS and RSA to ensure compliance with federal transition requirements.	9/01/2015	9/01/2016
Coordinate with DARS regarding drafting and signoff on state plan submitted to RSA.	9/01/2015	3/01/2016
Coordinate with DARS to identify any pending policy or rule changes occurring before 9/01/2016.	9/01/2015	9/01/2016

Summary of Major Objectives

Data-Sharing Agreements
In compliance with SB 208, the parties have developed a data-sharing agreement to facilitate access to DARS, HHSC, and TWC information systems that explicitly allows two-way connectivity and access to the parties' systems and the information contained therein, as well as system transfers, to the extent applicable, including personnel and payroll systems; financial systems; contract management systems; consumer service and/or case management systems; IT service management systems; and other systems that support the administration of business functions. A copy of this jointly developed agreement is included in Attachment B.

Data sharing will require refreshed agreements with existing DARS data-sharing partners for smooth transition and continuity of services to TWC. Integrating DARS services will include engaging these data sharing partners early to obtain designated liaisons to work with TWC staff in solidifying integration and connectivity, as envisioned for full and timely implementation of SB 208. TWC is requesting data transition engagement liaisons with partners including the Texas Education Agency, Texas Department of Insurance Workers' Compensation, the Texas Veterans Commission, Boards, vendors, and other major data trading partners. TWC's Office of General Counsel will assist with statutory interpretations and other legal work to support this engagement.

Litigation Identification Plan
The Legal team is lead on identifying the status of pending litigation at DARS, including internal administrative hearings under the VR program, internal HR litigation and employee grievances, as well as any external litigation related to the transferring programs involving OAG.

Further, the Legal team will work with the agencies' policy and program areas, as appropriate, to align TWC and DARS hearings and appeals processes for transferring programs. The alignment will necessarily include evaluation of caseload/workload of the DARS attorney and hearing officers under contract to DARS. The alignment also will involve review and evaluation of agencies' existing rules to determine whether transfer, revision, or new development of rules will best serve the agencies' interests and program goals.

Contracts Identification Plan
The Legal team must ensure that any legal issues affecting specific contracts or grants and their associated processes, generally resulting from the transition, are identified early in the process, preferably by the fourth quarter of 2015. It is expected that the Legal team will coordinate with the Procurement and Contracting and the Policy and Service Delivery teams throughout the transition process. This coordination will be critical to ensuring migration of appropriate data regarding the complete universe of transferring contracts.

Although the Legal team may not be the lead on evaluation of procurement processes, it will be a critical support for the Procurement and Contracting team, and will need to identify the specific legal resources currently used by DARS in contract and grant development, evaluation, and review.

General Legal Support

The Legal team will work with management and program staff throughout the transition process to ensure the transition plan is in compliance with state and federal requirements, including development of the combined state plan. On an ongoing basis, as policies and rules are amended at each agency, the Legal team will coordinate to ensure critical issues are evaluated and addressed in a timely manner. Further, the Legal team will coordinate with each agency's business operations group to ensure the appropriate transition and retention of historical program-related documents, in compliance with state retention schedule requirements and the Public Information Act.

Policy and Service Delivery Plan

Transition Scope Overview

This plan lays out the steps necessary to successfully transition programs from DARS to TWC, effective September 1, 2016, with no interruption in consumer services. The Policy and Service Delivery team will closely coordinate with the Procurement and Contracting, IT, and other teams throughout the transition process.

Passage of WIOA in 2014 replaced the Workforce Investment Act of 1998, and amended the Rehabilitation Act Amendments of 1973, the Wagner-Peyser Act, and the Adult Education and Family Literacy Act. WIOA identifies six core programs, and mandates that states create a combined four-year state plan for these six core programs:

- WIOA Services for Adults
- WIOA Services for Dislocated Workers
- WIOA Services for Youth
- Wagner-Peyser Employment Service
- Vocational Rehabilitation
- Adult Education and Literacy

TWC, DARS, and HHSC intend to work closely together to ensure the uninterrupted delivery of consumer services. TWC intends to keep to the same service delivery structure for all transferring programs during the first year, State Fiscal Year 2017 (SFY'17). The counselors and other program staff providing services will continue to provide these services post-transition. Consumers will continue to work with the same counselors and program staff, in the same local office locations.

During the first year of the transition, TWC will examine the programs that have transitioned, and, in particular, will focus on the merger of blind and general VR services, which must occur by October 1, 2017.

Timeline of Major Objectives

Objective	Timeline
Public Hearings	June 2015 – September 2015
Submit WIOA Combined State Plan	March 3, 2016 (to be effective July 1, 2016)
Federal approval of WIOA Combined State Plan	No later than June 30, 2016 (to be effective July 1, 2016)
Submit WIOA Combined State Plan Amendment	No later than July 31, 2016 (to be effective September 1, 2016)
Federal Approval of WIOA Combined State Plan Amendment	No later than August 31, 2016 (to be effective September 1, 2016)
Coordinate with the Rehabilitation Council of Texas (RCT)	Quarterly meetings in FY'16 (January, April, July, October)
Coordinate with the State Independent Living	During FY'16

Objective	Timeline
Council (SILC) on the State Plan for Independent Living	
Preliminary Review of Policies and Contract Standards for Merger of Blind and General VR in FY '17	September 1, 2015 – August 31, 2016

Summary of Major Objectives

Federal Approval of Reorganizational Changes
TWC must ensure that Texas is in compliance with federal requirements regarding organizational structures for the transferring programs (Technical Assistance Circular RSA-TAC-13-02, July 9, 2013, http://www2.ed.gov/policy/speced/guid/rsa/tac/2013/tac-13-02.pdf).

If a state identifies a new Designated State Agency (DSA) to administer the programs, the state must ensure the agency is primarily concerned with VR, or VR and other rehabilitation of individuals with disabilities. In the event that the new DSA is not primarily concerned with VR, or VR and other rehabilitation of individuals with disabilities, the state must ensure the agency contains a Designated State Unit (DSU), or two DSUs for states that have both a blind and general agency, that:

- is primarily concerned with VR, or VR and other rehabilitation, of individuals with disabilities, and is responsible for the VR programs of the DSA;
- is administered by full-time directors;
- employs staff on the rehabilitation work of the organizational units for all or substantially all of whom devote their full time to such work; and
- is located at an organizational level and has an organizational status within the DSA comparable to that of other major organizational units of the DSA.

States may choose to designate one agency to provide VR services to individuals with all types of disabilities (known as a "combined" agency), or two distinct agencies—one to serve individuals who are blind and visually impaired and another to serve individuals with all other disabilities (known as "blind" and "general" agencies, respectively). Under the provisions of SB 208, Texas will have two DSUs—one for general VR and one for blind VR—until October 1, 2017, at which point SB 208 directs that general VR and blind VR be merged.

Effective September 1, 2016, TWC will ensure that the two DSUs are located organizationally at a level comparable to that of other major organizational units of the agency. Under the new TWC organizational structure, which will be effective September 1, 2016, the DSU for general VR and the DSU for blind VR services will each be established as a separate division (see Attachment A).

Formal approval for TWC's organizational structure, and the placement of the DSUs, will occur with the submission of an amendment to the WIOA Combined State Plan. The initial WIOA Combined State Plan will take effect on July 1, 2016. TWC and DARS will submit an amendment, to be effective September 1, 2016, outlining the transition of VR services, and the

placement of DSUs. The U.S. Department of Education has informally reviewed the organizational structure, and noted its compliance with federal guidance.

Public Hearings

SB 208 instructs TWC, DARS, and HHSC to consider input from the public in the development of the Transition Plan to be submitted to the Oversight Committee. Additionally, federal guidelines require the DSA for VR to hold public hearings throughout the state before adopting any substantive changes. To comply with these requirements and to ensure TWC and DARS hear and address the concerns of stakeholders on the proposed changes, the agencies conducted a series of public meetings across the state. The meetings were held in seven locations beginning in July and ending in September, as listed in the table below.

Date/City	Time	Location
July 21, 2015 (Tuesday) Austin	4–7 p.m. CDT	Criss Cole Rehabilitation Center 4800 N. Lamar Blvd. Austin, TX 78756
July 30, 2015 (Thursday) Dallas	4–7 p.m. CDT	American Foundation for the Blind 11030 Ables Lane Dallas, TX 75229
August 12, 2015 (Wednesday) McAllen	4–7 p.m. CDT	South Texas College Cooper Center 3200 Pecan Blvd. McAllen, TX 78501
August 13, 2015 (Thursday) Houston	4–7 p.m. CDT	Elias Ramirez State Office Building Rooms 3c, 3d, 3e, and 3f 5425 Polk Street Houston, TX 77023
August 27, 2015 (Thursday) Tyler	4–7 p.m. CDT	R. B. Hubbard Center 304 E. Ferguson Street Tyler, TX 75702
September 16, 2015 (Wednesday) Lubbock	4–7 p.m. CDT	Texas Tech University International Cultural Center Hall of Nations Room 601 Indiana Avenue Lubbock, TX 79409
September 17, 2015 (Thursday) El Paso	4–7 p.m. MDT	El Paso Community College Administrative Services Center, Bldg. B 9050 Viscount Blvd. El Paso, Texas 79925

More than 100 individuals provided comments at these meetings. Additionally, TWC and DARS received seven written comments from the public related to the transfer of DARS programs, which are included in Attachment C. TWC and DARS will use the input provided at the meetings to inform their transition activities and the development of the WIOA Combined State Plan. The six most commonly raised subjects at the public meetings were:

- the need for the agencies to communicate with DARS stakeholders about the transition;
- the need for qualified counselors to continue serving consumers;
- the need for continued preemployment services for children, specifically those with visual impairments;
- positive comments about VR services being a good fit for the workforce system;
- the need to provide training and build the expertise of the centers for independent living; and
- the need to increase accessibility at Workforce Solutions Offices.

WIOA Combined State Plan

WIOA requires states to jointly develop and submit a single four-year plan for achieving the workforce goals of the state. The plan will reflect the state's goals and its strategies to:

- align, coordinate, and integrate education, employment, and training programs;
- guide investments to ensure that training and services are meeting the needs of employers and individuals; and
- engage economic, education, and workforce partners in improving the workforce development system.

Texas must submit the WIOA Combined State Plan to the secretary of the U.S. Department of Labor by March 3, 2016. The secretary of each federal agency that oversees the core programs will approve the plan. Approval will come no later than June 30, 2016, with the initial plan submission taking effect July 1, 2016.

The plan will include information for the six WIOA core programs, as well as other programs administered by TWC, including the Senior Community Service Employment Program, and the Trade Adjustment Assistance Program.

TWC will submit a plan amendment to RSA no later than July 31, 2016, with an effective date of September 1, 2016. This plan amendment will denote the transfer of VR services, and the designation of DSUs.

Coordination with the Rehabilitation Council of Texas

Consistent with RCT's statutory duties as the state rehabilitation council for VR programs, DARS and TWC will consult with RCT on development of the VR portions of the WIOA Combined State Plan, the effectiveness of the VR program, and the development and implementation of VR policies. RCT coordination is achieved through provision of information to the RCT at the quarterly meetings of the full council and its committees. Information is also exchanged between meetings as needed, such as during the drafting of the WIOA Combined State Plan. Additionally, RCT receives initial and final drafts of policy for consultation, review, and feedback as the policies go through the agency's development and approval process.

Coordination with the State Independent Living Council

SILC develops the Texas State Plan for Independent Living, which sets the goals for the provision of independent living services in Texas, including those funded by DARS and those funded directly by RSA to Texas Centers for Independent Living (CILs). TWC will coordinate with SILC on future state plans to ensure coordination of services for consumers in the Independent Living for Older Individuals Who are Blind Program. The next three-year state plan will cover FY'17–19. SILC has developed a preliminary planning timeline to guide development of the next Texas State Plan for Independent Living. Both general and blind DSUs in Texas are represented on SILC and participate in the development of the state plan through their participation in SILC quarterly meetings and work sessions. DARS also provides information for inclusion in the Texas State Plan for Independent Living as requested by SILC.

Uninterrupted Transition of Vocational Rehabilitation Services
Effective September 1, 2016, the existing staff providing VR services will continue providing these services. The regional reporting structure will not change immediately. TWC will examine opportunities to improve local service delivery efficiencies with the merger of general VR and blind VR, which must occur no later than October 1, 2017, and will examine changes to the regional reporting structure as part of this effort.

Effective September 1, 2016, the Business Enterprises of Texas program will continue operating as it is currently structured. TWC will undergo a review of the Business Enterprises of Texas program rules and program structure in the FY'16–17 biennium to identify any opportunities for operational efficiencies. The Business Enterprises of Texas Trust Fund, which provides benefits to managers in the program, will continue to operate as it currently does.

Effective September 1, 2016, TWC will operate the Independent Living for Older Individuals Who are Blind Program. TWC will closely coordinate with HHSC and its administration of additional Independent Living programs. In particular, TWC will coordinate with DARS and HHSC in FY'16 on efforts to assess the capacity of the local CILs to provide assistance to the older blind population and prepare for the outsourcing of the DARS Independent Living services as required by House Bill 2463. To the extent that CILs have the capacity to provide these services (as well as the independent living services that remain with HHSC), TWC will examine opportunities to coordinate its Independent Living for Older Individuals Who are Blind Program contracts with those issued by HHSC for FY'17.

TWC and HHSC also will coordinate the delivery of services to children who are blind or visually impaired. HHSC will operate the Blind Children's Program, and TWC will closely coordinate with HHSC to ensure the needs of younger blind consumers are addressed, including methods for coordinating services for these consumers and mechanisms for referring such consumers from HHSC to TWC for VR transition services.

DARS and TWC program staff will coordinate with DARS Legal Services and TWC's Office of General Counsel to identify and transfer program administrative rules and other HHSC/DARS rules as necessary to TWC by September 1, 2016.

Strategy for Integrating Blind and General VR Programs

SB 208 requires TWC, not later than October 1, 2017, to integrate into a single vocational rehabilitation program the VR program for individuals with visual impairments and the VR program for individuals with other disabilities. To facilitate this integration, TWC must at a minimum: 1) reorganize service delivery to achieve an integrated vocational rehabilitation program to meet consumers' individualized needs, 2) develop a plan to support specialization of VR counselors in serving different client populations, 3) redesign performance measures, 4) consolidate policies, and 5) recommend the adoption of any necessary rules. To comply with a management action recommendation of the Sunset Advisory Commission, TWC will develop a transition plan for this integration no later than September 1, 2016.

Currently at DARS, the blind and general VR programs have different regional boundaries, different regional management structures, different policies for providing consumer services, and different standards for vendors that provide services. As part of the transition process during FY 2016, DARS and TWC will initiate a review of program policies and provider standards to identify necessary revisions and associated timelines. This advance review in FY'16 will position TWC to take actions in FY'17 necessary to integrate policies and provider standards, and allow TWC to meet the legislatively established deadline of October 1, 2017.

Once the programs transfer on September 1, 2016, TWC will determine how best to align the regional boundaries of the blind and general VR programs and develop a standardized regional management structure for the unified VR program. As part of this process, TWC will take into consideration the current regional boundaries and management structures of the Local Workforce Development Boards, with the goal of creating a structure that can be easily incorporated into the local workforce system in 2018, as required by SB 208.

To solicit stakeholder input on the integration of the blind and general VR programs, in accordance with federal guidelines, TWC will hold public hearings in 2016 to discuss a proposed organizational structure and policies for a unified program. TWC will incorporate input gathered through these hearings and formally request federal approval for the integrated VR program through an amendment to its WIOA Combined State Plan, so that the reorganization will be effective October 1, 2017. TWC will also include in its legislative appropriations request for FY'18–19, due in the summer of 2016, requests for resources and changes to performance measures the agency will need to ensure the integration will be successful.

TWC will use an approach similar to the current management and oversight structure created for the transition of programs from DARS to steer the integration of the two separate VR programs. Integration teams will delineate specific tasks and timelines and a steering committee will monitor the progress of the teams to ensure a unified VR program is operational on October 1, 2017. As part of the integration process, TWC will use the expertise of its VR staff to develop plans to organize services based on each consumer's individualized needs and to support specialization of VR counselors in serving different client populations. TWC will ensure VR counselors who specialize in serving the needs of individuals with visual impairments will continue to serve those consumers after the integration.

Strategy for Integrating VR Staff into Workforce Solutions Offices

SB 208 requires TWC, not later than August 31, 2018, to integrate vocational rehabilitation staff and other transitioning staff into the network of Local Workforce Development Boards and Workforce Solutions Offices. TWC will have begun this process by aligning regional boundaries and standardizing regional management structures to create a unified VR program, as discussed above. TWC will work with each of the 28 Boards as VR and other program staff are integrated within the offices. TWC will ensure that as this integration takes effect, the VR staff continue to operate in accordance with federal RSA guidance regarding nondelegable duties, which includes a requirement that staff within the DSU are responsible for the determination of eligibility, the nature and scope of services, and the provision of those services (34 C.F.R. 361.13(c)(1)(i)), and the determination that individuals have achieved employment outcomes (34 C.F.R. 361.13(c)(1)(ii)).

Another important component of this integration is accommodating the facility needs of transitioning program staff in the field. As discussed in the facilities section of this plan, the Facilities Transition Team will be gathering information on DARS' current leased space to determine when these leases expire and how much space is required by field staff in preparation for the transfer of the programs to TWC. TWC will work with the Boards, using the information gathered by the Facilities Transition Team, to determine timelines for moving VR staff into the local Workforce Solutions Offices. In some cases, Boards will need to expand their existing offices or lease addition space to accommodate VR staff and TWC will facilitate this effort. TWC will also work with the Boards to ensure facilities where VR counselors will be located meet the confidentiality requirements as well as the accessibility needs of consumers and staff.

TWC will use an approach similar to the management and oversight structure created for the transition of programs from DARS to steer the integration of VR program staff into the Boards and Workforce Solutions Offices. Integration teams will delineate specific tasks and timelines and a steering committee will monitor the progress of the teams to ensure transitioning program staff is integrated to the extent possible by August 31, 2018.

Data and Performance Reporting Plan

Transition Scope Overview

There are three main parts to this transition: State Reporting, Federal Reporting, and Ad Hoc Reporting and Evaluation. State and federal reporting transition issues may be largely the same and consolidated as the plan moves through implementation. This plan presumes that changes to DARS' or TWC's reporting and analysis processes (such as monthly reporting under Rider 15) will be applicable to PY'16/SFY'17 reporting.

State Reporting

DARS, like TWC, is required to report performance data and an analysis of any variance (EOV) greater than 5 percent to the LBB each quarter (key output/efficiency measures). Year-end EOVs are also required on key outcome measures. Additionally, DARS may have other reporting duties such as providing data to HHSC or RCT that may need to continue after the transition. Currently DARS reports some measures to the LBB on a monthly basis. Beginning in SFY'17, all key DARS measures will have to be reported monthly under TWC Rider 15. DARS also has the same annual Texas Workforce Investment Council (TWIC) reporting responsibilities as TWC.

Federal Reporting

DARS, like TWC, is required to report performance information to the federal government on a quarterly and annual basis. Additionally, DARS may have other reporting scheduled for federal audits or special program reports requested by a federal partner. Beginning in Program Year 2016 (PY'16)/SFY'17, DARS will be required to do additional reporting under WIOA, which is similar to what TWC has historically had to report to the U.S. Department of Labor (DOL).

Ad Hoc Reporting and Evaluation

DARS' management and program staff, like TWC's, often need data or an evaluation of data that goes beyond that required by state or federal regulations.

Timeline of Major Objectives

All dates are "Completed by" dates:

- Federal publication of initial WIOA reporting specs – July 2015
- Workforce Innovation Fund grant awards notification – September 2015[1]
- Review data warehouse data model and reports – December 2015[2]
- Inventory all DARS reporting duties – December 2015
- Review of any audit/investigations relating to performance reporting and analysis, whether by DARS, HHSC, SAO, or other entities – December 2015
- Estimated finalization of federal WIOA reporting specs – March 2016

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[1] TWC submitted a proposal for funding to build a new unified data warehouse initially to be used for WIOA reporting and eventually to consolidate and replace a variety of TWC and DARS performance reporting and analysis tools.

[2] If TWC's Workforce Innovation Fund grant proposal is not approved by DOL, this milestone may be moved out to May 2016.

- Develop recommended performance measure changes for the SFY'18–22 Strategic Plan – March 2016
- Review and understand DARS' Performance Reporting and Analysis staffing and workload, including related divisions such as IT – May 2016
- Review DARS reporting and analysis SOPs – May 2016
- Align reporting and quarterly briefings – June 2016
- Train TWC Division of Operational Insight and workforce staff in DARS measures and performance reports – June 2016
- Brief TWC executive management and its Commission offices on DARS measures and performance reports – July 2016
- Develop SFY'16 year-end reporting review schedule and identify how to include TWC management in the review; deliver an agreed upon new schedule/process before the end of the fiscal year – August 2016
- Develop monthly/quarterly reporting/EOV process for SFY'17 and beyond – August 2016
- PY'15/SFY'16 Year-End Reports – September/October 2016
- First WIOA reports due – November 2016 (not confirmed)
- Merge consumer, service, and performance data into integrated Periods of Participation across TWC and DARS programs – SFY'17 or SFY'18

Significant Concerns to Address for Successful Transition

- WIOA Combined State Plan instructions require states to provide historic performance data and to propose new targets for PY'16–17, but neither it nor the WIOA Information Collection Request (ICR) provide information about the performance periods, making it difficult to project targets.
- Need to determine how WIOA-required IT changes will be accomplished and may need to request capital authority.

Regulatory Integrity Division Plan

Transition Scope Overview

The purpose of this plan is to transition all applicable investigations, monitoring, audit, and collections-related activities that support DARS administrative and consumer services to TWC. The plan includes the "as is" DARS functions, programs, resources—FTEs, budget, facilities, equipment, communications, and IT systems—requirements (legal, performance, reporting, etc.), stakeholders, and contracts.

Timeline of Major Objectives

Major Objective	Start	Finish
Identify current investigation, monitoring, audit, collections resources, processes, procedures, and terminology.	9/04/15	10/31/15
Identify laws, rules, regulations, and requirements specific to DARS and HHSC and related to investigations, monitoring, audits, and collections.	9/04/15	10/31/15
Determine required performance measures and reporting requirements for investigations, monitoring, and collections functions and how DARS and HHSC are currently performing.	9/04/15	10/31/15
Determine DARS stakeholders (grant recipients, contractors, etc.) and inform them of changes and timelines for the DARS transition.	9/04/15	4/30/16
Conduct Fit-Gap Analysis of TWC, DARS, and HHSC investigation, monitoring, and collections processes.	10/31/15	12/31/15
Define the "to be" TWC/DARS merged organization for investigations, monitoring, and collections.	11/01/15	12/31/15
Define operating concept and staff requirements, including IT/fraud detection system access requirements, and obtain TWC approval.	9/04/15	12/31/15
Identify and complete tasks to transition required resources (functions, processes, procedures, FTEs, budget, IT tools, etc.) to be fully functional on 9/01/16.	1/04/16	8/31/16

Summary of Major Objectives

Define current resources, processes, and terminology

- Define the types of investigations, monitoring, and collections at TWC, DARS, and HHSC.
- Review resources, policies, processes, systems, and procedures at TWC, DARS, and HHSC.
- Determine whom in DARS or HHSC performs the investigations, monitoring, and collections:
  - HHSC OIG currently performs the investigative functions for DARS.
  - HHSC OIG has authority to investigate allegations of fraud, waste, and abuse by Medicaid providers contracted to perform services for programs that DARS administers. This could include services administered through a DARS program that are wholly or partly state- and/or federally funded. Investigative findings that result in evidence of

program violations could result in administrative enforcement action by OIG to recover overpayments from the provider. OIG could also refer suspicions of Medicaid fraud to the Texas Attorney General's Medicaid Fraud Control unit if criminal activity is suspected of a Medicaid provider.

- Types of DARS investigative functions HHSC OIG performs:
  - HHSC OIG's Medicaid Provider Integrity unit currently investigates DARS providers billing for services not rendered, billing for unnecessary services, billing for unauthorized services, or failing to follow program rules, policy, and guidelines with respect to claims filed to Medicaid or other health and human services programs.
  - Internal Affairs Division currently investigates allegations of DARS employee misconduct, fraud, waste, and abuse and contract/vendor fraud.
  - HHSC OIG Business Operations Division's Reporting and Analysis unit performs statistical analysis on records gathered during an investigation to determine the overpaid benefits on a sample, and extrapolate that statistically valid sample to the population under investigation to determine the estimated provider Medicaid overpayment.
  - Once an overpayment is determined, the Sanctions unit, under HHSC OIG Legal, collects the overpaid amounts resulting from provider Medicaid investigations.
- Determine which resources (FTEs, budget, equipment, IT systems, facilities, etc.) are allocated to perform the investigations, monitoring, and collections for DARS:
  - Preliminary inquiries indicate there are no FTEs dedicated to DARS investigative functions. Instead, the responsibility to perform the investigative function is spread throughout HHSC OIG functional areas, but is based primarily in Internal Investigations and the Medicaid Provider Integrity (MPI) unit. For example, Internal Investigations conducted approximately 14 DARS-related internal investigations during FY'14. Additionally, MPI estimated that they conducted seven DARS-related provider investigations in the past three years. However, HHSC OIG does receive DARS funding to support their investigation, audit, and collections needs. Based on the department ID allocation factors, HHSC OIG received $571,415.65 in FY'14 and $583,950.51 in FY'15.
  - HHSC OIG uses the following IT systems or databases to investigate, audit, and monitor DARS-related cases/issues:
    - To perform risk assessment, OIG uses the HSAS contract system to determine the number of significant provider contracts. The Compliance unit uses Teammate software to record time worked on various audit projects, as well as which HHSC enterprise agency the projects relate to.
    - HHSC OIG's MPI unit uses databases containing Medicaid provider enrollment and claims information, such as Phoenix, Insurance Fraud Manager, Business Objects ad hoc query software, and the Medicaid Fraud and Abuse Detection System. These systems and databases are used to identify demographic information on providers and to analyze the types of claims and the frequency of claims submitted by providers to Medicaid or other health and human services programs.

Identify laws, rules, regulations, and requirements specific to DARS and HHSC

- Obtain copies of all laws, rules, regulations, and requirements.
- Determine where DARS derives its authority to conduct investigations, monitoring, and collections.

Determine required performance measures and reporting requirements for investigations, monitoring, and collections functions and how DARS and HHSC are currently performing

- Obtain copies of performance measures and reporting requirements.
- Review current performance and do a Fit-Gap Analysis to identify possible changes.

Determine DARS stakeholders (grant recipients, contractors, etc.) and inform them of changes and timelines for the DARS transition

- Obtain a copy of DARS stakeholders.
- Reach out to stakeholders to identify issues.

Conduct Fit-Gap Analysis of TWC, DARS, and HHSC investigation, monitoring, and collections processes

- Identify differences between the agencies in performing investigations, monitoring, and collections processes.
- Determine necessary modifications to rules, plans, agreements, resources, and processes to address identified gaps.

Define the "to be" TWC/DARS merged organization for investigations, monitoring, and collections

- Determine the best way to merge DARS investigative, monitoring, and collections functions into existing TWC organizational functions, while reducing or eliminating excess capacity and redundancies.

Define operating concept and staff requirements, including IT/fraud detection system access requirements, and obtain TWC approval

- Determine what investigation, monitoring, and collections functions TWC needs to fully support the transitioned DARS functions and build a functional framework, to include FTEs, budget, and IT support, as well as access to nonresident fraud detection systems.
- Currently, DARS provides HHSC OIG funding ($571,415.65 in FY'14 and $583,950.51 in FY'15) to perform DARS-related investigation, compliance monitoring, select audit functions, and collections resulting from Medicaid investigations. Assuming these funds will be transferred to TWC to perform the functions HHSC OIG currently provides DARS, we may consider the following "to be" for TWC when DARS is merged:
  - Based on MPI conducting only seven DARS-specific Medicaid investigations in the past three years, recommend adding one Investigator V FTE position to TWC's Regulatory Integrity Division (RID) Office of Investigations, Special Investigations unit. Additionally, recommend adding one Investigator III-V FTE position to the same unit to perform DARS internal investigations.
  - Medicaid investigations require statistical analysis support to determine Medicaid provider overpayments. With the small number of cases (seven in three years), TWC's DOI may be able to assume this function.
  - HHSC OIG Legal Sanctions unit currently collects overpayments from Medicaid providers resulting from investigations and represents the agency in administrative hearings. Since the number of the collections is small (seven cases in three years), TWC's Office of General Counsel may be able to assume this function with existing resources.

- Medical experts currently support HHSC OIG Medicaid Investigations. For example, the MPI unit has 11 nurses, one medical doctor, and two dentists currently on staff, with approximately 78 contract specialists available to review client records retrieved by a provider during an investigation. TWC may consider establishing an MOA with HHSC OIG to perform this analysis or contract for this capability on a case-by-case, as-needed basis.
- TWC's Office of Investigations will require user access, and in some cases investigator access, to all DARS-related IT and fraud detection systems to conduct program and internal investigations.

Identify and complete tasks to transition required resources to be fully functional on September 1, 2016

- Prepare MOA for medical expert reviews by HHSC OIG or contract for medical expert reviews to support Medicaid investigations.
- Prepare and execute data-sharing agreements for DARS-related IT/fraud detection systems.

Attachment A – TWC Organizational Chart, Effective September 1, 2016

TEXAS WORKFORCE COMMISSION

September 2016

Our mission is to promote and support an effective workforce system that offers employers, individuals, and communities the opportunity to achieve and sustain economic prosperity.

Texas Workforce Commission Organization

Top level, three commissioners:

- Commissioner Representing the Public
- Commissioner Representing the Labor
- Commissioner Representing Employers

Reporting directly to the Commissioners:

- Executive Director
- Internal Auditor

Reporting directly to the Executive Director:

- Deputy Executive Director
- Deputy Director
- General Counsel
- Employer Initiatives
- Operational Insight
- Unemployment Insurance Division
- Director, Regulatory Integrity Division
- Director, Civil Rights Division
- Director, External Relations Division Reporting to the Deputy Executive Director are:
- Director, Information Technology
- Chief Financial Officer
- Human Resources Management and Staff Development
- Business Operations
- Director of Business Transformation

Reporting directly to the Deputy Director:

- Director, Blind Vocational Rehabilitation Services Division
- Director, General Vocational Rehabilitation Services Division
- Director, Workforce Development Division

Reporting indirectly to the Commissioners:

- Rehabilitation Council of Texas, which also reports indirectly to the Director of the Blind Vocational Rehabilitation Services Division

- General Council

Reporting indirectly to the Executive Director:
- Internal Audit

Program Responsibility

The Director of the Blind Vocational Rehabilitation Services Division is responsible for:
- Vocational Rehabilitation Act, Blind
  - Criss Cole Rehabilitation Center
  - Older Blind Independent Living
  - Business Enterprises of Texas

The Director of the General Vocational Rehabilitation Services Division is responsible for:
- Vocational Rehabilitation Act, General

The Director of the Workforce Development Division is responsible for:
- Workforce Innovation and Opportunity Act
- Employment Services
- Trade Adjustment Assistance Services
- Temporary Assistance for Needy Families (TANF) Choices Employment Services
- Supplemental Nutrition Assistance Program (SNAP) Employment & Training Services
- Subsidized Child Care Services
- Skills Development & Self Sufficiency Fund
- Adult Education and Literacy Services
- Work Opportunity Tax Credit
- Foreign Labor Certification
- Career Schools & Colleges

The Unemployment Insurance (UI) Division is responsible for:
- Customer Service & UI Operations
- UI Support Services
- Call Center Operations
- Appeals
- Commission Appeals
- Special Hearings
- Tax

The Director of the Regulatory Integrity Division is responsible for:
- Investigations & Fraud
- Subrecipient Monitoring, Statistical Sampling
- State EO Officer
  - Also indirectly reports to the Executive Director

The Director of the Civil Rights Division is responsible for:

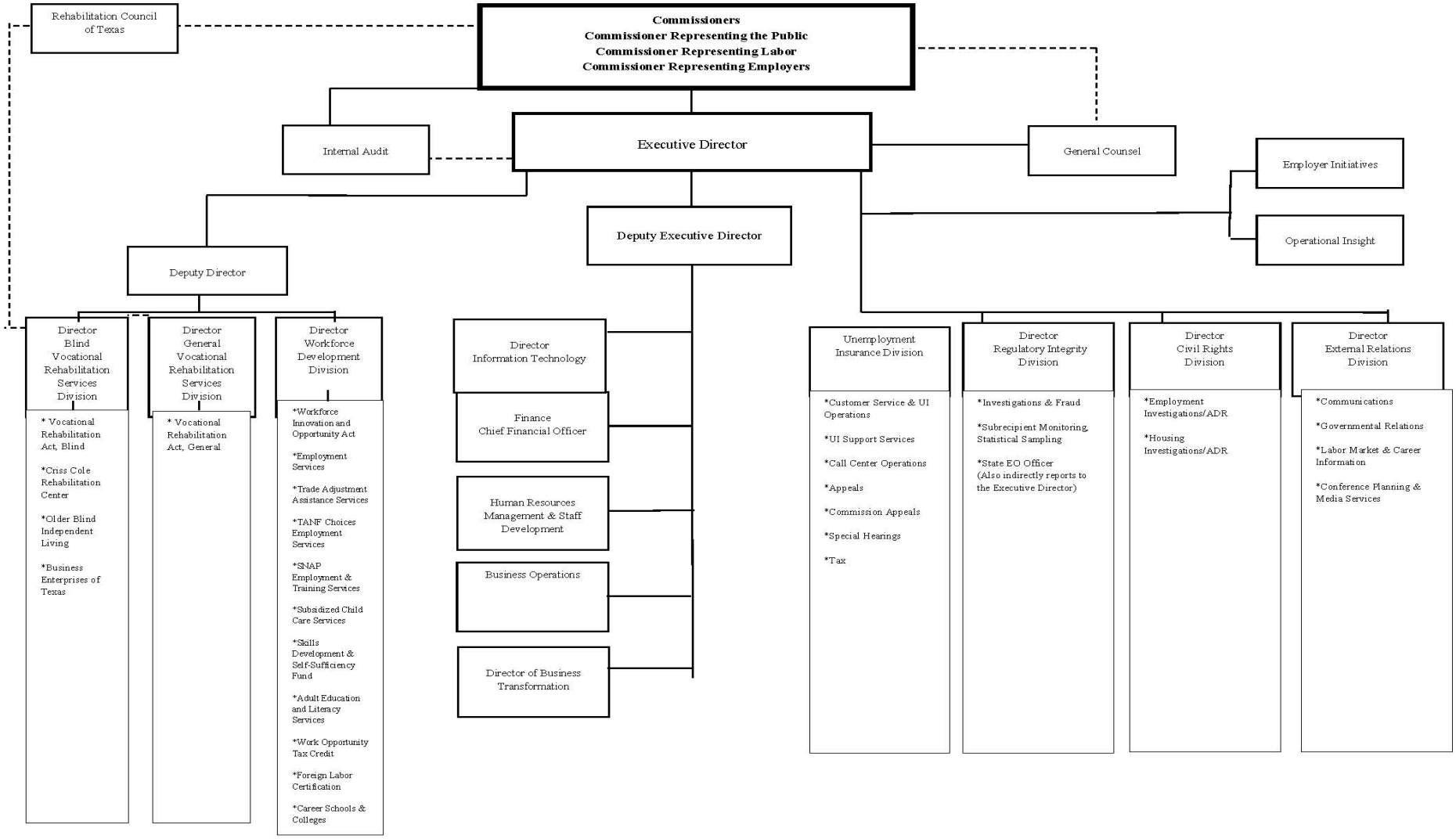
- Employment Investigations/ADR
- Housing Investigations/ADR

The Director of the External Relations Division is responsible for:

- Communications
- Governmental Relations
- Labor Market & Career Information
- Conference Planning & Media Services

TEXAS WORKFORCE COMMISSION
September 1, 2016

Our mission is to promote and support an effective workforce system that offers employers, individuals, and communities the opportunity to achieve and sustain economic prosperity.



Attachment B – Interagency Cooperative Agreement

Interagency Cooperative Agreement for Facilitating Access to Information Systems Related to the Transfer of Certain Functions of the Department of Assistive and Rehabilitative Services to the Texas Workforce Commission

This Interagency Cooperative Agreement (Agreement), dated and effective as of September 1, 2015 (the "Effective Date") is made and entered into by and between the Texas Health and Human Services Commission (HHSC), the Department of Assistive and Rehabilitative Services (DARS), and the Texas Workforce Commission (TWC) also hereinafter referred to collectively as "the Parties."

I. PURPOSE

The purpose of this Agreement is to facilitate access between DARS, HHSC and TWC's Information Systems in response to legislation passed by the 84th Texas Legislature (Senate Bill 208) relating to the transfer of certain functions of DARS to TWC. The Agreement facilitates data service delivery by explicitly allowing two-way connectivity and access to the parties' relevant information systems to accomplish this mandate.

II. AUTHORITY

This Agreement is entered into pursuant to the authority granted and in compliance with the following provisions:

- Interagency Cooperation Act, Chapter 771, Texas Government Code;
- Technical Assistance Circulars RSA-TAC-13-02 (July 9, 2013) and RSA-TAC-12-03 (April 16, 2012) of the United States Department of Education Office of Special Education and Rehabilitative Services, Rehabilitative Services Administration, Washington, D.C. 20202-2800;
- The Workforce Investment Act, 29 U.S.C. § 2801, *et.seq.*, and the Workforce Innovation and Opportunity Act (WIOA) § 2 *et seq.*, Public Law 113-128, 29 United States Code (U.S.C.) § 3101 *et seq.*;
- The Rehabilitation Act of 1973, as amended;
- Office of Management and Budget Uniform Guidance, as codified in 2 C.F.R. Part 200; and
- Senate Bill 208, as passed by the 84th Texas Legislature, Regular Session.

III. RECITALS

A. DARS, HHSC, and TWC have authority to contract for implementation and continuity of services to their respective and common customers.
B. To ensure continuity of service, coordination and performance evaluation under WIOA, continuity, and expedited implementation of Senate Bill 208 the parties agree that connectivity as well as access to the respective Information Systems is necessary for the parties to implement transfer of certain functions from DARS to TWC and TWC's performance evaluation under WIOA.

C. The parties enter into this Agreement to share information with each other under the cited authorities, as well as policies and related governing statutes.
D. Furthermore, the parties have determined that their mutual assistance and cooperation will implement the policy of the Office of Management and Budget to:
    - Maximize the efficient and effective administration of federal funds awards through the application of sound management practices;
    - Further the administration of federal funds in a manner consistent with underlying agreements, program objectives, and the terms and conditions of the federal awards; and
    - Employ organization and management techniques to assure proper and efficient administration of federal awards.

IV. SCOPE AND BACKGROUND

The scope of the work under this Agreement is to facilitate sharing of information for coordination of WIOA, including performance evaluation, as well as the interagency transfer of systems and information from DARS and HHSC to TWC to affect an orderly transfer of business functions as required by law under Senate Bill 208. The scope of work under this Agreement includes work to accomplish the transfer of the supporting administrative systems relating to the budget, personnel, and business functions of DARS and HHSC to TWC. DARS and HHSC will need to access TWC administrative support systems to accomplish this transfer. The expected benefit of the coordination is to expedite the transfer within the prescribed timelines and to ensure continuity of services as well as smooth and effective administration of services consistent with Office of Management and Budget (OMB) directives in applicable OMB Circular requirements for efficient and effective administration of federal funds.

The Parties agree to work together to (1) coordinate, as necessary, to implement the transfer; (2) identify policy requirements or guidance on which the programs and systems operate and (3) identify the information technology (IT) systems that will be interconnected and/or transferred, the information contained therein, the purpose for which they will be used, and ongoing WIOA reporting requirements. The Parties also agree to permit access for external partner agencies to the extent necessary to carry out the functions transferring to TWC, including but not limited to the Texas Comptroller of Public Accounts.

The supporting applicable systems of DARS and HHSC and the information contained therein, which TWC will access and with which it will interface to the extent needed for the transfer, include but are not limited to the following:

- Personnel and payroll systems;
- Financial systems;
- Contract management systems;
- Consumer, customer service and/or case management systems;
- Information Technology service management systems; and
- Other systems that support the administration of business functions.

The supporting applicable systems of TWC and the information contained therein, which DARS and HHSC may need to access, and with which it will interface to the extent needed for the transfer, include but are not limited to the following:

- Personnel and payroll systems;
- Financial systems;
- Contract management systems;
- Consumer, customer service and/or case management systems;
- Information Technology service management systems; and
- Other systems that support the administration of business functions.

V. TERMS

This Agreement will remain in effect for eighteen (18) months from the effective date (September 1, 2015). This Agreement will expire without further action unless extended by Parties by mutual agreement. If one or more of the parties wish to terminate this Agreement during the term, they may do so upon thirty (30) days advanced notice.

VI. COMMUNICATIONS

Frequent formal communications are essential to ensure the successful management and operation of the evaluation and interconnection. The Parties agree to maintain open lines of communication between designated staff at both the managerial and technical levels.

The Parties agree to designate and provide contact information for leads for their respective information systems and to facilitate direct contacts between personnel to support the management and operation of the interconnections. The Parties will work together to complete reporting necessary for legislative oversight and WIOA reporting requirements. To safeguard the confidentiality, integrity, and availability of the connected systems and the data they store, process, and transmit, the Parties agree to provide notice of specific events within the time frames indicated below.

- **Security Incidents:** The Parties will immediately notify their designated counterparts by telephone or e-mail when a security incident(s) is detected, so the other party may take steps to determine whether its system has been compromised and to take appropriate security precautions. The system owner will receive formal notification in writing within five (5) business days after detection of the incident(s).

- **Disasters and Other Contingencies:** the Parties will immediately notify their designated counterparts by telephone or e-mail in the event of a disaster or other contingency that disrupts the normal operation of one or both of the connected systems or systems to be connected.

- **Material Changes to System Configuration:** Planned technical changes to the system architecture shall be reported to the Parties before such changes are implemented.

- **New Interconnections:** The initiating party will notify and obtain the approval of the other party at least one (1) month before it connects its IT system with any other IT system, including systems that are owned and operated by third parties.

- **Personnel Changes:** The parties agree to provide notification of the separation or long-term absence of their respective system owner or technical lead. In addition, parties will provide notification of any changes in point of contact information.

VII. SECURITY

The Parties agree to maintain the systems and information contained in each party's systems as confidential and to work together to ensure the joint security of the connected systems and the data they access, store, process, and transmit. Each party certifies that its respective system is designed, managed, and operated in compliance with all relevant federal laws, regulations, and policies and to maintain such compliance.

Any TWC employees provided access to DARS and HHSC Information Systems, to the extent applicable for the transfer and, as needed, for ongoing performance evaluation regarding WIOA, shall have executed the TWC's individual user security agreement (TWC P-41 form) and maintain as current their annual TWC Information Security training. Any DARS employees provided access to TWC Information Systems shall have executed the DARS individual user security agreement, and maintain as current their annual information security training. Any HHSC employees provided access to TWC or DARS Information Systems shall have executed the applicable HHSC individual employee user security agreement and maintain as current their annual information security training.

Notwithstanding the specific references only to TWC's obligations relating to HHSC's information, the Parties agree that all provisions contained in the Attachment A shall equally apply to HHSC, DARS, and TWC relating to information of the respective parties.

VIII. COST CONSIDERATIONS

The Parties agree to coordinate regarding cost allocation relating to implementation of SB 208.

IX. CHANGES AND AMENDMENTS

Any alterations, additions, or deletions to the terms of this Agreement which are required by changes in federal or state law or by regulations are automatically incorporated into this Agreement without written amendment hereto and shall become effective on the date designated by such law or by regulation.

X. DISPUTE RESOLUTION

The expectation is that the Parties will work cooperatively and if there are any issues that cannot be resolved at the staff level then these issues can be elevated to be resolved by the executives of the parties. The Parties agree to coordinate to the maximum extent possible for the effective transfer of functions as specified in Senate Bill 208.

In WITNESS HEREOF, the parties have caused this agreement to be signed and delivered by its duly authorized representative, and this agreement may be executed in counterpart with signatures on different pages:

The undersigned parties bind themselves to the faithful performance of this Agreement:

HEALTH AND HUMAN SERVICES COMMISSION

_____

Chris Traylor
Executive Commissioner

Date: 9-8-15

In WITNESS HEREOF, the parties have caused this agreement to be signed and delivered by its duly authorized representative, and this agreement may be executed in counterpart with signatures on different pages:

The undersigned parties bind themselves to the faithful performance of this Agreement:

DEPARTMENT OF ASSISTIVE AND REHABILITATIVE SERVICES

DANIEL BRAVO C.O.O.

For Veronda L. Durden
Commissioner

Date: 9/3/2015

In WITNESS HEREOF, the parties have caused this agreement to be signed and delivered by its duly authorized representative, and this agreement may be executed in counterpart with signatures on different pages:

The undersigned parties bind themselves to the faithful performance of this Agreement:

TEXAS WORKFORCE COMMISSION

Larry E. Temple
Executive Director

Date: 9/3/15

Attachment A to Attachment B, the Interagency Cooperative Agreement

Interagency Data Use Agreement Between The Texas Health And Human Services Commission, Texas Department of Assistive and rehabilitative Services AND TEXAS Workforce Commission

The following interagency data use agreement ("DUA") terms are effective as of the date the Interagency Cooperative Agreement ("Base Agreement") is signed ("Effective Date") and are incorporated into the Base Agreement between the two Texas Health and Human Services ("HHS") agencies, the Texas Health and Human Services Commission ("HHSC") and the Texas Department of Assistive and Rehabilitative Services ("DARS") and the Texas Workforce Commission ("TWC"). HHSC, DARS and TWC are hereinafter each referred to as a Party and collectively referred to as "the Parties", under HHS Contract No. _____, TWC Number 2916NFA003 (the "Base Contract").

ARTICLE 1. PURPOSE; APPLICABILITY; ORDER OF PRECEDENCE

The purpose of this DUA is to facilitate creation, receipt, maintenance, use, disclosure, or access to HHS Confidential Information with TWC, and describe TWC's rights and obligations with respect to the Confidential Information and the limited purposes for which TWC may create, receive, maintain, use, disclose or have access to HHS Confidential Information provided by or for which access is provided by HHSC or DARS to TWC. This DUA also describes HHSC's or DARS' remedies in the event of TWC's noncompliance with its obligations under this DUA.
The purpose of this DUA is also to facilitate creation, receipt, maintenance, use, disclosure, or access to TWC Confidential Information with HHSC and DARS, and describe HHSC's and DARS' rights and obligations with respect to the TWC Confidential Information and the limited purposes for which HHSC and DARS may create, receive, maintain, use, disclose or have access to TWC Confidential Information. This DUA also describes TWC's remedies in the event of HHSC's or DARS' noncompliance with its obligations under this DUA.
As of the Effective Date of this DUA, if any provision of the Base Contract conflicts with this DUA, this DUA controls.

ARTICLE 2. DEFINITIONS

For the purposes of this DUA, capitalized, underlined terms have the following meanings:

HHSC is the Information Owner for purposes of information collected for TANF and Medicaid from customer information collected by HHSC. DARS is the Information Owner for purposes of vocational rehabilitation and related functions under DARS. TWC is the Information Owner for purposes of information collected for workforce employment and training programs.

"Authorized Purpose" means the specific purpose or purposes described in the Scope of Work of the Base Contract for a Party to fulfill its obligations under the Base Contract, or any other purpose expressly authorized by the Information Owner Party in writing in advance.

"Authorized User" means a Person:

(1) Who is authorized to create, receive, maintain, have access to, process, view, handle, examine, interpret, or analyze Confidential Information pursuant to this DUA;
(2) For whom a Party warrants and represents has a demonstrable need to create, receive, maintain, use, disclose, or have access to the Confidential Information; and
(3) Who has agreed in writing to be bound by the disclosure and use limitations pertaining to the Confidential Information as required by this DUA.

"Breach" means any unauthorized acquisition, access, use, or disclosure of Confidential Information in a manner not permitted by this DUA, the Base Contract, or applicable law.

"Client Information" means Personally Identifiable Information about or concerning applicants for or recipients of benefits or services under one or more programs administered by the Parties.

"Confidential Information" means any communication or record (whether oral, written, electronically stored or transmitted, or in any other form) that consists of or includes any or all of the following:

(1) Client Information;
(2) Protected Health Information;
(3) Sensitive Personal Information defined by Texas Business and Commerce Code, Chapter 521;
(4) Federal Tax Information;
(5) Personally Identifiable Information;
(6) Social Security Administration Data;
(7) All non-public budget, expense, payment and other financial information;
(8) All privileged work product;
(9) All information designated as confidential under the constitution and laws of the State of Texas and of the United States, including the Texas Health & Safety Code and the Texas Public Information Act, Texas Government Code, Chapter 552.

"De-Identified Information" means information regarding which there is no reasonable basis to believe that the information can be used to identify an Individual.

"Destroy" or **"Destruction"** for Confidential Information means:

(1) Paper, film, or other hard copy media have been shredded or destroyed such that the Confidential Information cannot be read or otherwise cannot be reconstructed. Redaction is specifically excluded as a means of data destruction.
(2) Electronic media have been cleared, purged, or destroyed consistent with NIST Special Publication 800-88, "Guidelines for Media Sanitization," such that the Confidential Information cannot be retrieved.

"Discovery" means the time which an Event or Breach becomes known to the Party, or, by exercising reasonable diligence would have been known to the Party, and includes Events or Breaches discovered by or reported to the Party by its officers, directors, employees, agents, work force members, Subcontractors, or third-Parties (such as legal authorities and/or Individuals).

"Encryption" of Confidential Information means the use of an algorithmic process to transform data into a form in which there is a low probability of assigning meaning without the use of a confidential process or key and such confidential process or key that might enable decryption has not been Breached. To avoid a Breach of the confidential process or key, these decryption tools will be stored on a device or at a location separate from the data they are used to encrypt or decrypt. Federal Information Processing Standards Publications (FIPS PUBS) 140-2 shall apply to protection of TWC employer tax reported wage information.

"Event" means a suspected or attempted unauthorized access, use, disclosure, modification, loss, or Destruction of Confidential Information, which has the potential for jeopardizing the confidentiality, integrity or availability of the Confidential Information, but excludes completed, unsuccessful hacking events using common tools such as PING, netstat, telnet, tracert, etc. An Event becomes a Breach when the event involves actual unauthorized access, use, disclosure, modification, loss, or Destruction of Confidential Information, which has the potential for jeopardizing the confidentiality, integrity or availability of the Confidential Information.

"Federal Tax Information" has the meaning assigned in the Internal Revenue Code, Title 26 of the United States Code and regulations adopted under that code.

"Individual" means the subject of the Confidential Information, and who will include the subject's Legally Authorized Representative.

"Information Owner(s)" a Party with statutory or operational authority for specified information or information resources. Each Party will specify the Confidential Information for which it is an Information Owner in the Base Contract.

"Information Security Guidelines and Procedures" means the information security guidelines, procedures, protocols, and other documents or information identified in Section 3.01(X) to this DUA.

"Legally Authorized Representative" of the Individual, as defined by Texas law, including as provided in 45 CFR 435.923 (Medicaid); 45 CFR 164.502(g)(1) (HIPAA); Tex. Occ. Code § 151.002(6); Tex. Health and Safety Code §166.164; Estates Code Ch. 752 and Texas Prob. Code § 3.

"Person" means without limitation, an employee, agent, representative, firm, corporation, organization, Subcontractor, a member of the general public, or a consumer.

"Personally Identifiable Information" or "PII" means information that can be used to uniquely identify, contact, or locate a single Individual or can be used with other sources to uniquely identify a single Individual.

"Protected Health Information" means individually identifiable health information in any form and relates to the individual's healthcare condition, provision of healthcare, or payment for the

provision of healthcare. It includes demographic information unless such information is De-identified, as defined above.

"Required by Law" shall have the same meaning as the term "required by law" in 45 CFR 164.103, but applies to all Confidential Information.

"Scope of Work" means the services and deliverables to be performed or provided by the Parties, or on behalf of Parties by its Subcontractors or agents for another Party that are described in the Base Contract. If the Scope of Work includes or consists of a written proposal by the Parties, any conflict between such proposal and the other terms of the Base Contract or this DUA will be resolved, in the Information Owner's sole discretion, by giving effect to the other terms of the Base Contract or this DUA.

"Social Security Administration Data" means disclosures of records, information, or data made by the Social Security Administration to HHS for its administration of federally funded benefit programs under various provisions of the Social Security Act, such as Section 1137 (42 U.S.C. §§ 1320b-7), including the state-funded state supplementary payment programs under Title XVI of the Act, in accordance with the requirements of the Privacy Act of 1974, as amended by the Computer Matching and Privacy Protection Act of 1988, 5 U.S.C. § 552a.

"**Subcontractor**" means a Person or who is not the Workforce of a Party to whom a Party delegates a function, activity or services conducted on behalf of a Party.

"Texas Breach Law" means the Texas Identity Theft Enforcement and Protection Act, Texas Business & Commerce Code Ch. 521 and Texas Government Code §2054.1125.

"**Workforce**" means employees, volunteers, trainees, and other Persons whose conduct, in the performance of work for a Party, is under the direct control of that Party, whether or not they are paid by that Party.

ARTICLE 3. PARTIES' DUTIES REGARDING CONFIDENTIAL INFORMATION

Section 3.01. OBLIGATIONS OF THE PARTIES

The Parties agree that:

(A) The Parties will exercise reasonable care and no less than the same degree of care the Parties use to protect their own confidential, proprietary, and trade secret information to prevent any portion of the Confidential Information from being used in a manner that is not expressly an Authorized Purpose under this DUA or as Required by Law.

(B) The Parties will not disclose or allow access to any portion of the Confidential Information to any Person or other entity, other than User's Workforce or Subcontractors of a Party who have completed training in confidentiality, privacy, security and the importance of promptly reporting any Event or Breach to the Party's management, to carry out the Authorized Purpose or as Required by Law.

The Parties will produce evidence of completed training to another Party upon request.

(C) The Parties will establish, implement, and maintain appropriate sanctions against any member of its Workforce or Subcontractor who fails to comply with this DUA, the Base Contract, or applicable law. The Parties will maintain evidence of sanctions and produce it to the other Parties upon request.

(D) The Parties will not disclose or provide access to any Confidential Information on the basis that such act is Required by Law without performing a legal review to determine that the disclosure or access is authorized and objecting and seeking appropriate relief if it is not authorized. The Parties will maintain an accounting of all such disclosures of Confidential Information and provide it to the other Parties upon request.

(E) The Parties will not attempt to re-identify or further identify Confidential Information or De-identified Information, or attempt to contact any Individuals whose records are contained in the Confidential Information, except for an Authorized Purpose, without express written authorization from the Information Owner or as expressly permitted by the Base Contract. The Parties will not engage in prohibited marketing or sale of Confidential Information.

(F) The Parties will not permit, or enter into any agreement with a Subcontractor to create, receive, maintain, use, disclose, have access to, or transmit Confidential Information, on behalf of the Information Owner without requiring that Subcontractor agree in writing to comply with the terms, conditions, safeguards, and restrictions contained in this DUA.

(G) The Parties are directly responsible for compliance with, and enforcement of, all conditions for creation, maintenance, use, disclosure, transmission and Destruction of Confidential Information and the acts or omissions of their Subcontractors as may be reasonably necessary to prevent unauthorized use.

(H) The Parties will release Confidential Information to an Individual or such Individual's Legally Authorized Representative in accordance with law and upon receipt of a valid written authorization. The Parties will make other Confidential Information in their possession available pursuant to the requirements of applicable law upon a determination of a Breach. The Parties will maintain an accounting of all such disclosures and provide it to the Information Owner upon the Information Owner's request.

(I) The Parties will amend Confidential Information upon request of an Individual or such Individual's Legally Authorized Representative and incorporate any amendments to this information with which the Information Owner agrees.

(J) The Parties will document and make available to the Information Owner an accounting of disclosures or amendments in compliance with the applicable laws.

(K) The Parties will provide, and will cause their Subcontractors and agents to provide, to the Information Owner periodic written certifications of compliance with controls and provisions relating to information privacy, security and breach notification, including without limitation information related to data transfers and the handling and disposal of Confidential Information.

(L) Except as otherwise limited by this DUA, the Base Contract, or law applicable to the Confidential Information, the Parties may use or disclose Confidential Information for the proper management and administration of the Parties or to carry out the Parties' legal responsibilities if:

(1) Disclosure is Required by Law, provided that the Parties comply with Section 3.01(D);

(2) The Parties obtain reasonable assurances from the Person to whom the information is disclosed that the Person will:

a. Maintain the confidentiality of the Confidential Information in accordance with this DUA;

b. Use or further disclose the information only as Required by Law or for the Authorized Purpose for which it was disclosed to the Person; and

c. Notify the Information Owner in accordance with Section 4.01of any Event or Breach of Confidential Information of which the Person discovers or should have discovered with the exercise of reasonable diligence.

(M) The Parties will, on the termination or expiration of this DUA or the Base Contract, at its expense, send to the Information Owner or Destroy, at the Information Owner's election, and to the extent reasonably feasible and permissible by law, all Confidential Information received from a Party or created or maintained by a Party or any of a Party's agents or Subcontractors on another Party's behalf if that data contains Confidential Information. The Parties will certify in writing to the Information Owner that all the Confidential Information that has been created, received, maintained, used by or disclosed to the Parties, has been Destroyed or sent to the Information Owner, and that the Parties and its agents and Subcontractors have retained no copies thereof. Notwithstanding the foregoing, the Parties acknowledge and agree that they may not Destroy any Confidential Information if federal or state law, or the Party's record retention policy or a litigation hold notice prohibits such Destruction. If such delivery or Destruction is not reasonably feasible, or is impermissible by law, the Parties will immediately notify the Information Owner of the reasons such delivery or Destruction is not feasible, and agree to extend indefinitely the protections of this DUA to the Confidential Information and limit its further uses and disclosures to the purposes that make the return delivery or Destruction of the Confidential Information not feasible for as long as the Party maintains such Confidential Information.

(N) The Parties will create, maintain, use, disclose, transmit or Destroy Confidential Information in a secure fashion that protects against any reasonably anticipated threats or hazards to the security or integrity of such information or unauthorized uses.

(O) If a Party accesses, transmits, stores, and/or maintains Confidential Information, the Party will complete and return to the Information Owner the information security and privacy initial inquiry (SPI) at Attachment 1. The SPI identifies basic privacy and security controls with which the Parties must comply to protect

Confidential Information. The Parties will comply with periodic security controls compliance assessment and monitoring by the Information Owner as required by state and federal law, based on the type of Confidential Information the Party creates, receives, maintains, uses, discloses or has access to and the Authorized Purpose and level of risk. The Party's security controls will be based on the National Institute of Standards and Technology (NIST) Special Publication 800-53. The Parties will update their security controls assessments whenever there are significant changes in security controls for a Party's Confidential Information and will provide the updated document to the Information Owner. The Information Owner also reserves the right to request updates as needed to satisfy state and federal monitoring requirements.

(P) The Parties will establish, implement and maintain any and all appropriate procedural, administrative, physical and technical safeguards to preserve and maintain the confidentiality, integrity, and availability of the Confidential Information to prevent any unauthorized use or disclosure of Confidential Information as long as the Party has such Confidential Information in its actual or constructive possession.

(Q) The Parties will designate and identify a Person or Persons, as Privacy Official and Information Security Official, each of whom is authorized to act on behalf of a Party and is responsible for the development and implementation of the privacy and security requirements in this DUA. The default person identified is the agency's chief information security officer unless otherwise designated. The Parties will provide name and current address, phone number and e-mail address for such designated officials to the other Parties upon execution of this DUA if other than the chief information security officer and prior to any change.

(R) Each Party represents and warrants that its Authorized Users each have a demonstrated need to know and have access to Confidential Information solely to the minimum extent necessary to accomplish the Authorized Purpose pursuant to this DUA and the Base Contract, and further, that each has agreed in writing to be bound by the disclosure and use limitations pertaining to the Confidential Information contained in this DUA.

(S) Each Party and its Subcontractors will maintain an updated, complete, accurate and numbered list of Authorized Users, their signatures, titles and the date they agreed to be bound by the terms of this DUA, at all times and supply it to the Information Owner, as directed, upon request.

(T) The Parties will implement, update as necessary, and document reasonable and appropriate policies and procedures for privacy, security and Breach of Confidential Information and an incident response plan for an Event or Breach, to comply with the privacy, security, and breach notice requirements of this DUA prior to conducting work under the DUA.

(U) The Parties will produce copies of its information security and privacy policies and procedures and records relating to the use or disclosure of Confidential Information received from, created by, or received, used or disclosed by the Parties on behalf of the Information Owner for the Information Owner's review and approval upon request.

(V) The Parties will make available to the Information Owner any information the Information Owner requires to fulfill the Information Owner's obligations to provide access to, or copies of, Confidential Information.

(W) The Parties will only conduct secure transmissions of Confidential Information whether in paper, oral or electronic form. A secure transmission of electronic Confidential Information in motion includes secure File Transfer Protocol (SFTP) or Encryption at an appropriate level or otherwise protected as required by rule, regulation or law. Confidential Information at rest requires Encryption unless there is adequate administrative, technical, and physical security, or as otherwise protected as required by rule, regulation or law. All electronic data transfer and communications of Confidential Information will be through secure systems. Proof of system, media or device security and/or Encryption must be produced to Information Owner no later than 48 hours after the Information Owner's written request in response to a compliance investigation, audit or the Discovery of an Event or Breach. Otherwise, requested production of such proof will be made as agreed upon by the Parties. De-identification of Confidential Information is a means of security.

(X) The Parties will comply with the following laws and standards if applicable to the type of Confidential Information and the Authorized Purpose:

- Title 1, Part 10, Chapter 202, Subchapter B, Texas Administrative Code;
- The Privacy Act of 1974;
- OMB Memorandum 07-16;
- The Health Insurance Portability and Accountability Act and regulations thereto;
- The Federal Information Security Management Act of 2002 (FISMA), as amended;
- Internal Revenue Publication 1075 – Tax Information Security Guidelines for Federal, State and Local Agencies;
- NIST Special Publications 800-53 and 800-53A – Recommended Security Controls for Federal Information Systems and Organizations, as currently revised;
- NIST Special Publication 800-47 – Security Guide for Interconnecting Information Technology Systems;
- NIST Special Publication 800-88, Guidelines for Media Sanitization;
- NIST Special Publication 800-111, Guide to Storage of Encryption Technologies for End User Devices;
- The Family Educational Rights and Privacy Act (FERPA) 20 U.S.C., Sec. 1232g, as amended, and implementing regulations at 34 C.F.R., Part 99;
- The Vocational Rehabilitation Act (VRA) 29 U.S.C. Chapter 16, as amended, and implementing regulations, 34 C.F.R. Parts 361 through 396, as applicable; and
- Any other State or Federal law, regulation, or administrative rule relating to the specific Party's program area that a Party supports on behalf of the Information Owner.

ARTICLE 4. BREACH NOTICE, REPORTING, AND CORRECTION REQUIREMENTS

Section 4.01. Breach or Event Notification to Information Owner.

(A) The Party that discovers or is responsible for causing a Breach will cooperate fully with the Information Owner in investigating, mitigating to the extent practicable and issuing notifications directed by the Information Owner, for any Event or Breach of Confidential Information to the extent and in the manner determined by the Information Owner.

(B) The obligation of the Party that discovers or is responsible for causing a Breach begins at the Discovery of an Event or Breach and continues as long as related activity continues, until all effects of the Event are mitigated to the Information Owner's satisfaction (the "incident response period").

(C) Breach Notice:

(1) Initial Notice.

a. For federal information, including without limitation, Federal Tax Information, Social Security Administration Data, and Medicaid Client Information, within the first, consecutive clock hour of Discovery, and for all other types of Confidential Information not more than 24 hours after Discovery, ***or in a timeframe otherwise approved by the Information Owner in writing***, initially report to the Information Owner's privacy officer, chief information security officer or designated contact, as follows:

1. HHS's Privacy and Security Officers via email at: privacy@HHSC.state.tx.us and to the HHS division responsible for this DUA;
2. TWC's Chief Information Security Officer via email to ciso@twc.state.tx.us; and
3. DARS's Information Security Officer, Miguel Olivas, via email at Miguel.olivas@dars.state.tx.us.

b. Report all information reasonably available to the Party discovering or responsible for causing the Breach about the Event or Breach of the privacy or security of Confidential Information.

c. Name, and provide contact information to the Information Owner for, the Party's single point of contact who will communicate with the Information Owner both on and off business hours during the incident response period.

(2) 48-Hour Formal Notice. No later than 48 consecutive clock hours after Discovery, or a time within which Discovery reasonably should have been made by the Party discovering or responsible for causing the Breach of an Event or Breach of Confidential Information, provide formal notification to the State, including all reasonably available information about the Event or Breach, and such Party's investigation, including without limitation and to the extent available:

a. The date the Event or Breach occurred;

b. The date of the Party's Discovery and, if applicable, it's Subcontractor's Discovery of the Breach;
c. A brief description of the Event or Breach; including how it occurred and who is responsible (or hypotheses, if not yet determined);
d. A brief description of the Party's investigation and the status of the investigation;
e. A description of the types and amount of Confidential Information involved;
f. Identification of and number of all Individuals reasonably believed to be affected, including first and last name of the individual and if applicable the, Legally authorized representative, last known address, age, telephone number, and email address if it is a preferred contact method, to the extent known or can be reasonably determined by the Party discovering or responsible for causing the Breach at that time;
g. The Party's initial risk assessment of the Event or Breach demonstrating whether individual or other notices are required by applicable law or this DUA for the Information Owner's approval, including an analysis of whether there is a low probability of compromise of the Confidential Information or whether any legal exceptions to notification apply;
h. The Party's recommendation for the Information Owner's approval as to the steps Individuals and/or the Party on behalf of Individuals, should take to protect the Individuals from potential harm, including without limitation the Party's provision of notifications, credit protection, claims monitoring, and any specific protections for a Legally Authorized Representative to take on behalf of an Individual with special capacity or circumstances;
i. The steps the Party discovering or responsible for causing the Breach has taken to mitigate the harm or potential harm caused (including without limitation the provision of sufficient resources to mitigate);
j. The steps the Party discovering or responsible for causing the Breach has taken, or will take, to prevent or reduce the likelihood of recurrence of a similar Event or Breach;
k. Identify, describe or estimate of the Persons, Workforce, Subcontractor, or Individuals and any law enforcement that may be involved in the Event or Breach;
l. A reasonable schedule for the Party discovering or responsible for causing the Breach to provide regular updates to the foregoing in the future for response to the Event or Breach, but no less than every three (3) business days or as otherwise directed by the Information Owner, including information about risk estimations, reporting, notification, if any, mitigation, corrective action, root

cause analysis and when such activities are expected to be completed; and

m. Any reasonably available, pertinent information, documents or reports related to an Event or Breach that the Information Owner requests following Discovery.

Section 4.02. Investigation, Response and Mitigation.

(A) The Party responsible for causing the Breach will immediately conduct a full and complete investigation, respond to the Event or Breach by committing necessary and appropriate staff and resources to expeditiously respond, to the level necessary and report as required to and by the Information Owner for incident response purposes and for purposes of the Information Owner's compliance with report and notification requirements, to the satisfaction of the Information Owner.

(B) The Party responsible for causing the Breach will complete or participate in a risk assessment as directed by the Information Owner following an Event or Breach, and provide the final assessment, corrective actions and mitigations to the Information Owner for review and approval.

(C) The Party responsible for causing the Breach will fully cooperate with the Information Owner to respond to inquiries and/or proceedings by state and federal authorities, Persons and/or Individuals about the Event or Breach.

(D) The Party responsible for causing the Breach will fully cooperate with the Information Owner's efforts to seek appropriate injunctive relief or otherwise prevent or curtail such Event or Breach, or to recover or protect any Confidential Information, including complying with reasonable corrective action or measures, as specified by the Information Owner in a Corrective Action Plan if directed by the Information Owner under the Base Contract.

Section 4.03. Breach Notification to Individuals and Reporting to Authorities.

(A) The Information Owner may direct the Party to provide Breach notification to Individuals, regulators or third-parties, as specified by the Information Owner following a Breach. Notices may be provided by subcontractors of the Parties to the extent applicable to the Event or Breach.

(B) The Party responsible for causing the Breach must obtain the Information Owner's prior written approval of the time, manner and content of any notification to Individuals, regulators or third-parties, or any notice required by other state or federal authorities. Notice letters will be in name and on the letterhead of the Party responsible for causing the Breach, or such Party's subcontractors' name and letterhead, unless otherwise directed by the Information Owner, and will contain contact information, including the name and title of the Party's representative, an email address and a toll-free telephone number, for the Individual to obtain additional information.

(C) The Party responsible for causing the Breach will provide the Information Owner with copies of distributed and approved communications.

(D) The Party responsible for causing the Breach will have the burden of demonstrating to the satisfaction of the Information Owner that any notification required by the Information Owner was timely made. If there are delays outside

of a Party's control, the Parties will provide written documentation of the reasons for the delay.

(E) If the Information Owner delegates notice requirements to another Party, the Information Owner shall, in the time and manner reasonably requested by the Party, cooperate and assist with the Party's information requests in order to make such notifications and reports.

ARTICLE 5. SCOPE OF WORK

Scope of Work means the services and deliverables to be performed or provided by a Party, or on behalf of a Party by its Subcontractors or agents for an Information Owner that are described in detail in the Base Contract. The Scope of Work, including any future amendments thereto, are incorporated by reference in this DUA as if set out word-for-word herein.

ARTICLE 6. GENERAL PROVISIONS

Section 6.01. Oversight of Confidential Information

Each Party acknowledges and agrees that the Information Owner is entitled to monitor a Party's access to and creation, receipt, maintenance, use, disclosure of the Confidential Information to confirm that each Party is in compliance with this DUA.

Section 6.02. The Information Owner's Commitment and Obligations

The Information Owner will not request a Party to create, maintain, transmit, use or disclose Confidential Information in any manner that would not be permissible under applicable law if done by the Information Owner.

Section 6.03. The Information Owner's Right to Inspection

At any time upon reasonable notice to a Party, or if the Information Owner determines that a Party has violated this DUA, the Information Owner, directly or through its agent, will have the right to inspect the facilities, systems, books and records of the other Party to monitor compliance with this DUA. For purposes of this subsection, the Information Owner's agent(s) include, without limitation, the Information Owner's Office of the Inspector General or the Office of the Attorney General of Texas, outside consultants or legal counsel or other designee.

Section 6.04. Term; Termination of DUA; Survival

This DUA will be effective on the date on which the last Party executed the Base Contract, and will terminate upon termination of the Base Contract and as set forth herein. If the Base Contract is extended or amended, this DUA is updated automatically concurrent with such extension or amendment.

(A) If the Information Owner determines that a Party has violated a material term of this DUA; the Information Owner may in its sole discretion:

(1) Exercise any of its rights including but not limited to reports, access and inspection under this DUA and/or the Base Contract; or

(2) Require a Party to submit to a corrective action plan, including a plan for monitoring and plan for reporting, as the Information Owner may determine necessary to maintain compliance with this DUA; or

(3) Provide a Party with a reasonable period to cure the violation as determined by HHS; or

(4) Terminate the DUA and Base Contract immediately, and seek relief in a court of competent jurisdiction in Travis County, Texas.

Before exercising any of these options, the Information Owner will provide written notice to a Party describing the violation and the action it intends to take.

(B) Termination or Expiration of this DUA will not relieve a Party of its obligation to return or Destroy the Confidential Information as set forth in this DUA and to continue to safeguard the Confidential Information until such time as determined by the Information Owner.

(C) The duties of a Party or its Subcontractor under this DUA survive the expiration or termination of this DUA until all the Confidential Information is Destroyed or returned to the Information Owner, as required by this DUA.

Section 6.05. Limitation of Liability

To the extent permitted by the Texas Constitution, laws and rules, and without waiving any immunities or defenses available to a Party as a governmental entity, a Party will defend and hold harmless the Information Owner and its Workforce against all actual and direct losses suffered by the Information Owner Party and its Workforce arising from or in connection with any breach of this DUA or from any acts or omissions related to this DUA by that Party or its employees, directors, officers, Subcontractors, or agents or other members of its Workforce, including, but not limited to, the costs of required notices and mitigation of a breach and any fines or penalties imposed on the Information Owner by any regulatory authority.

Section 6.06. Insurance

(A) As a governmental entity, a Party either maintains commercial insurance or self-insures with policy limits in an amount sufficient to cover a Party's liability arising under this DUA and under which policy the Information Owner is an additional insured. Nothing herein shall relieve a Party of its financial obligations set forth in this DUA if a Party fails to maintain insurance.

(B) Each Party will provide the Information Owner with written proof that required insurance coverage is in effect, at the request of the Information Owner.

Section 6.07. Fees and Costs

Except as otherwise specified in this DUA or the Base Contract, including but not limited to requirements to insure and/or indemnify the Information Owner, if any legal action or other proceeding is brought for the enforcement of this DUA, or because of an alleged dispute, contract violation, Event, Breach, default, misrepresentation, or injunctive action, in connection with any of the provisions of this DUA, each Party will bear their own legal expenses and any other cost incurred in that action or proceeding.

Section 6.08. ENTIRETY OF THE CONTRACT

This Data Use Agreement is incorporated by reference into the Base Contract and, together with the Base Contract, constitutes the entire agreement between the Parties. No change, waiver, or discharge of obligations arising under those documents will be valid unless in writing and executed by the Party against whom such change, waiver, or discharge is sought to be enforced.

Section 6.09. Automatic Amendment and Interpretation

Upon the effective date of any amendment or issuance of additional regulations or any law applicable to Confidential Information, this DUA will automatically be amended so that the

obligations imposed on the Information Owner and/or the other Parties remain in compliance with such requirements. Any ambiguity in this DUA will be resolved in favor of a meaning that permits the Information Owner and the other Parties to comply with any law applicable to Confidential Information.

Attachment C – Written Comments on the Transfer of DARS Programs

Comment 1

I have missed couple of meetings due to scheduling conflicts and was not able to meet at the last few public hearings. This may be the best opportunity to send my ideas on how services can be improved for the consumers in the hearing loss communities all across Texas.

Currently the agency, DARS have two VR divisions, Division for Rehabilitative Services and Division for Blind Services and under DRS there is another department, Office for the Deaf and Hard of Hearing Services "ODHHS" and they have great services offered to the public to provide sign language interpreter certificate program, STAP, senior citizens program, and the resource specialist program and a few others not mentioned here.

The one I want to talk about today is the resource specialist program currently under ODHHS. What does the future hold for this program? There are 28 RSs in the field serving 11 Health and Human Services Regions. Currently the RSs have separate roles as "Hearing Loss Resource Specialist" and "Deafness Resource Specialist" and two RSs serves in each of the regions. The HLRS focuses on assistive technology for hearing loss to the current VR consumers to maintain employment with the help of VR and for the DRS focuses on communication access knowing your accommodations in the workplace and also to maintain employment with the help of VR. Also both HLRS/DRS does VR outreaching to search for potential VR consumers and works with the VR staff serving in that capacity and taking referrals in as new VR clients. This is the general scope of the RSs and more detailed roles can be available upon request.

The first idea is to have the HLRS/DRS roles combined into one role and cover the TWC regions because there are times of job vacancies and the other RS from the closest region can cover temporarily until hired and trained without delaying consumer's valuable time. Also having two RSs doing the same roles together can cover sections of their regions because not all regions are created equal by size. Since there are currently 28 RSs under HHS regions, the TWC regions can be covered by the same 28 RSs doing both combined roles instead of separate.

The second idea is documentation system. The documentation systems are currently monitored by each state contractor and submitted each month to the administrator and then sent to DARS ODHHS for review and billed hours to get paid. ODHHS does not have good systems in place and it is contractual by the awarded companies to setup their own. The VR staff have RehabWorks as their documentation system and it is very well structured for reporting. The RSs will benefit using the similar uniformed reporting system like RHW and will TWC be able to furnish the tools to RSs with secured login and password and maybe access to the database searching for potential VR clients and giving referrals to TWC VR?

The current FY'15 funding for this program is about 80% VR and 20% Non-VR. Since the DARS VR programs are transitioning to TWC, I personally believe the RS program will benefit MORE to the consumers and VR staff in closer collaboration together instead of separate under HHSC or Centers for Independent Living facilities. Since the funding is mainly VR I think it should stick with VR programs so that means it will go under TWC.

Thank you for your time reading this email and hearing the concerned future where the RSs are highly needed in the hearing loss communities and how it is managed by ODHHS. I have spoken to several RSs and they feel having a future under TWC is much better than any other agency. Please consider these ideas and feel free to contact me for any questions.

Comment 2

We are concerned about the transfer of services from DARS to the Texas Workforce Commission particularly the huge gap for the blind and hearing impaired. Of special interest to seniors is the transfer of the Independence Living Services Program for Older Blind persons from the Division for Blind Services to TWC and to Centers for Independent Living. It is vitally important that we seniors voice our concern that these services must be available to all seniors who need them statewide and that they be provided by specialized trained professionals who understand the needs of seniors experiencing vision loss.

Comment 3

_____ (TWC Employer ID# _____) is a non-profit organization who through the "State Use Program/TIBH" employs individuals with disabilities.

After reviewing the TWC Press Release dated July 13, 2015, (Subject: TWC, DARS to Hold Seven Regional Public Meetings), I would like to make the following comments/input as an employer of people with disabilities:

Request that TWC improve their online workforce system by identifying people with disabilities so employers a like can hire.

Background: When we post a job opening on the TWC website, the first 72 hours is dedicated to veterans. I would like for TWC who will be working with DARS to identify the disabled potential hires, and just like highlighting the veterans, I would like to see a section dedicated to people with disabilities, disabled veterans, and the elderly were employers can solicit possible employees. Our company is a statewide employer, this would help us tremendously, and strengthen and broaden the TWC/DARS Programs. The disabled and elderly are not taboo to our company. Please make it happen.

Comment 4

I hope that the Independent Living for Older Individuals Who are Blind program (IL) is adequately funded. Now that it is being administered by the Centers for independent Living, there needs to be an appropriately trained staff to work with the blind, as well as in-home services for seniors who are living alone.

I am a retired Lutheran pastor and a Texas Silver-haired Legislator (TSHL) representing Dallas County At-Large. I am writing to you on behalf of thousands of blind seniors in Texas, including two colleagues of mine in the Texas Silver-haired Legislature.

I hope that the leaders in the Texas Workforce Commission (TWC) will take to heart these words of Proverbs 31:8: “Speak up for people who can not speak for themselves. Protect the rights of all who are helpless.”

Thank you for giving me a chance to speak out on an issue that is very close to my heart.

Comment 5

My name is _____ and I am the proud mother of special needs teenagers. We moved from Harris County to Lubbock County three years ago and have been under the tutelage of Laurie Adams of DARS.

When I first heard of the coming change of command to TWC I did not understand how this really would impact my family of seven. I am just a stay at home mom and not versed in State Law and such.

But I can tell you how the decision you are about to make as lawmakers is incorrect. DARS has been hands on with my twins since they were three years of age. I have personally had someone guide me through the convoluted and twisted world of legal jargon found in state programs for my twins.

The personal home visits, invitations to events, assistance at ARD's in school, the years of planning and enrolling of educational opportunities, social opportunities, technology assistance, family counselling, summer camps has all lead up to my teenagers being shaped and molded into working independent adults. These case workers know my children personally. They know the nuances of each of them. They have carefully and thoughtfully planned out the next few years with programs and education so that when my kiddos reach eighteen years of age, they get to go out into this world and get a satisfying career just like everyone else.

DARS case workers are highly trained individuals with experience in transitioning children into adults, into working adults. There is not one single person at the Texas Workforce Commission that has the same qualifications as the employees of DARS. You would be hard pressed to even find one person in all of TWC that has the passion to even assist those with special needs.

When I think of TWC I think of the percentages of people unemployed standing in lines waiting to visit with a burned out uninterested employee who is merely collecting a paycheck and waiting to five o'clock. I have been there. I have sat in those lines. I have spoken with the lovely employees of the Harris County TWC office.
My children won't have a chance to be a working adult in Texas if they are handed over to this entity. There is no one that can be trained to care. You can't train empathy. The people of DARS are on a mission. A calling of sorts. It is in their DNA to stand up for those who can't. TWC is about numbers and quotas and just getting by.

I want my twins to have the personal assistance that comes from a knowledgeable, caring, dedicated individual that has spent years developing a career plan. Not a paper pusher.

No offence to the TWC but just look at how individuals of special needs are treated now. They are overlooked, dismissed and never given a chance to prove what the Lord above has gifted them with. If you move services away from DARS to TWC you are sealing the fate of hundreds to sit at home on the couch and live with their parents for the rest of their lives. That is, until the parents pass. And then the State of Texas will have the opportunity to see these people again, as they are now dependents of the State and need housing, transportation and care. Stop this transition before hundreds of lives are affected adversely. There is no one at TWC that cares whether my teenage can button his pants or make his own lunch to head out to work a job. DARS case managers have had the details in sight since they were three. Working to make my twins independent enough to hold down and job, earn a paycheck, contribute to society, pay taxes, and be as independent as you and I. How is TWC going to do this?

My twins futures are so bright. My son wants to work as a public servant with the hospitals, police, EMT's, maybe with the bus system. Don't take that away from him. No one at TWC will see his potential and make it happen for him. There is nothing the TWC can offer him at sixteen that will prepare him to be eighteen.

My daughter wants to answers phones at a company or be a photographer. TWC will never be able to make the appropriate accommodations to set her up somewhere where she can accomplish that.

What can TWC offer my twins? Lines, waiting, closed doors, and a lot of “no's.”

You already have DARS working for the greater good, don't change that.

Comment 6

We are parents of a Deafblind adult with multiple disabilities and a board member of DBMAT and member of AVIT. We have a number of concerns about the plans to move part of DARS to TWC and the Children's Program to HHSC.

Here are some of our concerns:
The future of Deafblind services for the children and the elderly. These programs must have services available to them from a Deafblind Specialist who understands this population's needs and what specific training these individuals will need.
We are also very concerned about about how the plan will ensure that 10-14 year olds will receive appropriate transition related Blindness and Deafblind services. What will be your new age guidelines for transition programming.

Consumers in the Older Blind and Independent Living Program must have immediate and ongoing access to qualified service providers(such as orientation & mobility specialists, vision rehabilitation therapists, and low vision therapists) who are knowledgeable on the impact of

vision loss on independence. There is a clear and compelling need for specialized assistance in the home(not just at a center) for many newly blinded Texans who need training in independent living skills and orientation and mobility to remain safely at home. It is very important to recognize that visual impairment in later years will entail many daily life issues, not just work concerns, and that these are critical for independent living and quality of life.

We are concerned about the possible changes to the Children's Program, which has a long history of providing a diverse array of services leading to positive vocational outcomes for children and support to their families. The Children's Program is not a Medicaid program and should not be grouped with the Medicaid system. There must be ongoing connections between the Children's Program and the Transition Program. Formal and ongoing linkages must be sustained between all blindness programs. This will be quite a challenge as these programs are going to be placed in separate agencies, yet it is very critical for continuity of services across all age groups.

Lastly, we would like to be represented on the oversight committee. We support Neva Fairchild to represent DBMAT and AVIT on this very important committee.

Thank you for listening to our concerns.

Comment 7

I am writing as a member of AVIT, the Association of and for Visually Impaired Texans, to express my concerns over the new organizational structure of blind services in Texas. I am particularly concerned about the shift from a service delivery model to a center delivery model for blind adults and the dissolution of the blind children's discovery program from the vocational rehabilitation services for the blind.

I am very concerned about future services for students from 10 years of age until whatever age TWC begins the Transition Program after the transition from HHSC. This is a critical period of skill development for children and the disassociation of the blind children's program from the vocational rehabilitation program means that years of nurturing and development of employable skills will be lost to many individuals who are blind and visually impaired.

I am also extremely concerned that the move to a center based model will result in reduction of the current standards in qualifications for vocational rehabilitation counselors and children's caseworkers working with individuals who are blind or visually impaired. In order to maintain the level of safety and dignity that individuals who are blind and visually impaired deserve it is absolutely imperative that TWC and DHHS should continue to require anyone working with people who are blind or visually impaired meet current training and qualification standards.

Finally, I am concerned that the move from an in-home training model to a center based model for independent living skills services will result in many individuals who are blind missing out on crucial training for a more dignified and independent life. I worry that lack of transportation, access to trained specialists in orientation and mobility, vision rehabilitation specialists and

certified low vision specialists will lead not only to a lower quality of life for many blind people, but also an increased dependence on others for individuals who might otherwise be able to perform many everyday tasks on their own. In addition, instruction from an untrained staff member, especially in the area of orientation and mobility, could place an individual who is blind or visually impaired at considerably higher risk of injury.

It saddens me to see Texas moving from a service model in which blind children and adults have been able to receive consistent training and instruction in daily and independent living skills from qualified personnel in their home or work environments to one in which training is provided by staff who may or may not have proper training in blindness and deafblindness at a center which they may not be able to access. I hope that as the division for blind services becomes divided between agencies you will at least keep in place the the standards of qualification for individuals serving blind or visually impaired Texas as well as the services which made this state a model for service delivery such as the blind children's discovery program and the in-home service delivery for independent living skills.