

TEXAS WORKFORCE COMMISSION

**WIOA COMBINED STATE PLAN
APPENDIX 7**

**WORKFORCE INNOVATION AND OPPORTUNITY ACT
WAIVER REQUESTS**

The Texas Workforce Commission (TWC) continually challenges staff to identify federal laws, regulations, and policies that impede successful achievement of workforce development goals.

To make the best use of resources, Texas continues to take advantage of federal waiver opportunities to seek relief from provisions that restrict flexibility and creativity or do not make efficient use of staff time.

In the past, Texas developed waiver requests covering a broad array of workforce issues. These waivers (detailed below), developed with Local Workforce Development Boards (Boards) and other stakeholders, requested authority to:

- increase local control of program delivery;
- improve Boards' ability to respond quickly to changing needs within their local workforce development areas (workforce areas);
- increase flexibility at the local level to serve business and industry;
- increase funding of services to disadvantaged populations and individuals with multiple barriers to employment by eliminating duplication and streamlining administrative processes; and
- increase accountability at the state, local, and service provider levels.

All Boards have been notified of waivers, and all waivers have been posted for public comment several times. Comments and suggestions from the public have been incorporated into the waiver plans.

TWC posts notices of all of its public meetings with the *Texas Register*, as well as on its website, in compliance with the Open Meetings Act.

TWC's three-member Commission (Commission) encourages the public to appear before it to speak on any issue under its jurisdiction, and includes a public comment opportunity on the agenda in each of its regular public meetings. Public comments at Commission meetings may be limited to a reasonable number, frequency, and length; however, the Commission does not and will not discriminate among speakers for or against a particular point of view.

TWC requests that the U.S. Department of Labor Employment and Training Administration (DOLETA) extend Texas' waivers for the period of this plan.

**STATE OF TEXAS
WAIVER REQUEST
WORKFORCE INNOVATION AND OPPORTUNITY ACT
Board Performance Measures Waiver**

Statutory and Regulatory Provisions to Be Waived

TWC is seeking a waiver from WIOA §116(c). Texas' prior waiver request regarding Board performance measures under WIA §136(c)(1) was approved by the U.S. Department of Labor Employment and Training Administration (DOLETA) on July 1, 2005, and remains in place until June 30, 2016. TWC is requesting an extension of this waiver upon expiration.

Actions Undertaken to Remove State or Local Statutory or Regulatory Barriers

There are no state or local statutory or regulatory barriers to implementing the requested waiver. TWC regulations and policy statements are in compliance with current federal law.

Goals and Expected Programmatic Outcomes of Waiver

TWC requests a waiver from WIOA §116(c) to allow greater flexibility when contracting performance measures with the Local Workforce Development Boards (Boards) to allow TWC to promote further integration of services within Workforce Solutions Offices.

Specifically, TWC is requesting the flexibility to modify Board performance measures. TWC will continue to track and report the core indicators of performance at both state and Board levels. However, TWC may choose not to use all of the specific Title I measures in its Board contracts. TWC is interested in developing Board contracted measures that support integration and that may be leading indicators for the statutorily prescribed measures to make them more useful to the Boards.

The requirement to contract separate indicators of performance by program to the Boards unnecessarily silos service delivery and may serve as a barrier to integration.

While this proposed waiver would provide TWC with flexibility in selecting Board performance measures, WIOA §116(g) continues to provide sanctions for a Board's failure to meet any of the WIOA performance measures. Although the approval of this waiver would provide TWC with additional flexibility in determining which measures to formally contract to the Boards, accountability will not be impacted, as TWC would still apply the sanction provisions of WIOA §116(g) to those measures that are formally contracted.

Goals

- **Increase integration of services to customers**
Boards are responsible for implementing many federal and state workforce development programs, allowing them the opportunity to integrate service delivery. However, programs are partially driven by how performance is measured. Programs with different measures of success require different means of management. Rather than focusing on employers' needs and finding job seekers to fill those needs, staff must focus on the specific outcome expectations of the program that funds the services the customer receives.

- **Increase accountability at the state, local, and service provider levels**
Because Boards are responsible for numerous workforce development programs, coenrollment of customers in multiple programs is becoming increasingly commonplace. Therefore, TWC believes that the most effective way to evaluate Boards and to promote accountability is to use integrated performance measures.
- **Provide greater flexibility to Boards in designing and implementing one-stop services**
By eliminating program-specific measures and applying integrated performance measures across all programs, TWC will promote service delivery designs that are based on employer needs rather than siloed program requirements.

Programmatic Outcomes

The approval of this waiver would result in the continued administrative relief that would remove barriers to coenrollment and promote more integrated case management across multiple programs, as WIOA envisions. TWC strongly supports the concept that programs with similar outcome objectives should be measured in a similar fashion.

TWC is developing a set of system-wide performance measures to be used by the Texas legislature and the governor to evaluate the Texas workforce system. Texas' new measures will be system measures applied across all programs. For example, there will be a system-wide measure based on an unduplicated list of exiters from all workforce programs (using the federal "soft exit" methodology). These measures will make no distinction between customers served by Employment Service; WIOA Adult, Dislocated Worker, and Youth; Temporary Assistance for Needy Families; Supplemental Nutrition Assistance Program; other various state-level programs; or a combination of programs.

Approval of this waiver would continue to allow the streamlining of administrative processes, resulting in maximized resources focused on employment outcomes.

Individuals Affected by the Waiver

Employers, job seekers, incumbent workers, and local staff may benefit from the waiver. The removal of siloed performance measures and the implementation of more integrated measures will allow staff to focus on the needs of employers, find job seekers to match those needs, and maximize integrated services to achieve the best outcomes.

Processes Used to Monitor the Progress in Implementing the Waiver

TWC has a monitoring and performance accountability system that measures results for employers and other customers using the Texas workforce system. TWC continuously analyzes performance reports and compares actual performance with contract targets. TWC will continue to make adjustments to monitoring performance requirements to ensure that performance goals and objectives are met. TWC will monitor progress under this waiver by reviewing monthly performance reports, through regularly scheduled conference calls with Board executive directors, and through its monitoring and performance accountability system.

**STATE OF TEXAS
WAIVER REQUEST
WORKFORCE INNOVATION AND OPPORTUNITY ACT
Reallocation Waiver**

Statutory and Regulatory Provisions to Be Waived

The Texas Workforce Commission (TWC) is seeking a waiver from the provisions of WIOA §128(c)(3) and §133(c), regarding reallocation among local areas. This waiver would provide flexibility to TWC in redistributing funds among workforce areas. Upon approval, this waiver, through administrative efficiencies, will allow for the opportunity to further workforce system integration. Texas' prior waiver request regarding reallocation provisions under WIA §128(c)(3) and §133(c) and the provisions of 20 CFR §667.160 was approved by the U.S. Department of Labor Employment and Training Administration (DOLETA) on November 17, 2010, and remains in place until June 30, 2016. TWC is requesting an extension of this waiver upon expiration.

Actions Undertaken to Remove State or Local Statutory or Regulatory Barriers

There are no state or local statutory or regulatory barriers to implementing the requested waiver. TWC regulations and policy statements are in compliance with current federal law.

Goals and Expected Programmatic Outcomes of Waiver

TWC requests to continue this waiver of the WIOA statutes relating to the redistribution of recaptured local funds and proposes to base the redistribution of WIOA funds on TWC's allocation rules (40 TAC §§800.51–800.75). TWC ensures that financial reporting will be consistent with current DOLETA requirements and that federal funds will be effectively managed for maximum service provision and program performance.

Goals

• **Redistribution of recaptured funds to workforce areas based on factors established by TWC**

The waiver request also allows TWC to ensure that funds are redistributed to those workforce areas with the greatest need. In doing so, TWC will determine the amounts to be redistributed to workforce areas based on factors such as:

- requested amount;
- demonstrated need for and ability to use additional funds to serve low-income individuals, public assistance recipients, dislocated workers, and unemployment insurance claimants;
- demonstrated capacity to expend the formula funds;
- a Board's established plan for working with at least one of the governor's industry clusters, as specified in the Board's plan; and
- performance in the current and prior program years.

• **Facilitation of maximum expenditure of recaptured federal funds**

TWC seeks to redistribute workforce funds to workforce areas that have achieved not only targeted expenditure levels but also established performance targets. Redistributing funds based solely on whether a workforce area achieves its expenditure target does not address

performance issues, such as whether the workforce area met employers' needs for a highly skilled and job-ready workforce.

- **Improvement of administrative efficiencies**

Approval of this waiver will serve to minimize administrative processes and costs of contracting by using similar redistribution procedures that support workforce system integration.

Programmatic Outcomes

The statutory reallocation requirements can be fulfilled; however, the amount of funds available for reallocation may be so small that it is cost prohibitive. By using TWC's allocation rules for the redistribution of funds, TWC can ensure that federal funds will be more effectively and efficiently managed for maximum service provision and program performance. Approval of this waiver may not result in significantly higher performance outcomes, but it will provide the opportunity for recaptured funds to be redistributed to workforce areas where the greatest potential impact may be realized. This waiver will streamline administrative practices, allowing for greater efficiency in meeting the workforce development needs of employers and job seekers. Furthermore, it will enhance the quality of services in those workforce areas that have demonstrated consistent performance outcomes. Approval of this waiver will result in a reduction of unnecessary administrative processes.

Individuals Affected by the Waiver

Workforce areas that provide quality services will have access to additional resources to meet the employers' needs, job seekers, and incumbent workers. Additionally, the waiver will allow TWC to continue to promote the cost benefits of improved administrative efficiencies, encouraging the increased leveraging of resources within the workforce areas. As a result, TWC will increase services such as enhanced education, employment, and training opportunities for disadvantaged populations and individuals with multiple barriers to employment.

Process for Monitoring Implementation of the Waiver

TWC has a monitoring and performance accountability system that measures results for employers and other customers using the Texas workforce system. TWC continuously analyzes performance reports and compares actual performance with contracted targets. TWC will continue to make adjustments to monitoring performance requirements to ensure that performance goals and objectives are met for WIOA services, including those programs created through the use of this waiver. TWC will monitor progress under this waiver by reviewing monthly expenditure and performance reports submitted by the Local Workforce Development Boards (Boards), through regularly scheduled conference calls with Board executive directors, and through its monitoring and performance accountability system.

In June 2006, TWC adopted rules to integrate our deobligation and reallocation policies for all Board-administered funds, thus establishing consistent procedures to apply to all workforce funds administered by the Boards, in support of a fully integrated system.

- Deobligations have a multilevel review:
 - Expenditures are reviewed on a monthly basis (performance is also considered).

- If expenditures are trending low, staff provides technical assistance to the Boards.
 - Boards are given an opportunity to get expenditures back on track.
 - When it becomes clear that Boards will not be able to meet the expenditure benchmark, discussion regarding the possible deobligation occurs and we receive concurrence from the Board executive directors that they will not be able to use the funds.
 - Final action is taken in a public Commission meeting.
- Reallocations have a multilevel review:
 - Expenditures are reviewed on a monthly basis (performance is also considered).
 - If expenditures are trending high, staff provides technical assistance to the Boards:
 - Boards are given an opportunity to explain why expenditures appear to be high.
 - Boards may identify that the numbers of participants to be served is higher than anticipated and additional funds are needed.
 - Staff verifies through the performance reports that the number of participants is consistent with the Board's explanation of need.
 - Final action is taken in a public Commission meeting.

This process has worked well for a number of years with all Board-administered funds. This same process for reallocation would be used for WIOA funds upon approval of the waiver.