



1 P R O C E E D I N G S  
2 TUESDAY, APRIL 28, 2015  
3 (12:02 p.m.)

4 CHAIRMAN ALCANTAR: Good afternoon,  
5 everyone. Good afternoon, Larry.

6 I would like to begin this work session on  
7 our comments to the notice of proposed rulemaking.  
8 Larry, who do you have up first?

9 MR. TEMPLE: We're going to have Adam up  
10 first -- oh, excuse me. That would be pronounced  
11 "Debbie."

12 (Laughter)

13 CHAIRMAN ALCANTAR: Okay.

14 MR. TEMPLE: Spelled like "Adam" but  
15 pronounced "Debbie."

16 CHAIRMAN ALCANTAR: Good afternoon,  
17 Debbie. How are you this afternoon?

18 MS. CARLSON: Good afternoon. Great.  
19 Good afternoon to everyone. For those individuals  
20 listening to the webcast who are not familiar with the  
21 notices of proposed rulemaking for WIOA there are five  
22 separate NPRMs totaling 2,658 pages.

23 Comments are due to the Departments of  
24 Labor and Education no later than June 15th. We would  
25 like to thank the Commission for agreeing to conduct

1 weekly work sessions. This allows us to break the body  
2 of work into some manageable pieces.

3                   This also allows staff to provide our  
4 preliminary thoughts on the proposed regulations. In  
5 these work sessions we seek your guidance so that we're  
6 well informed to best craft the Commission's comments to  
7 the proposed regs.

8                   Staff are reviewing the proposed regs from  
9 the standpoint of what's good for Texas in the Texas  
10 Workforce system; does this maintain the flexibility  
11 authorized in statute; does it promote integration of  
12 services; and how will Texas compare under WIOA versus  
13 WIA.

14                   Staff are also considering whether the  
15 proposed regulations create a disincentive to serving  
16 those customers most in need. Additional considerations  
17 include, does the proposed regulation provide clarity;  
18 is there an inconsistency between the statute and the  
19 proposed regulation; or is there an inconsistency among  
20 the proposed regulations.

21                   We've also tried to keep in mind that when  
22 we make a recommendation it needs to be able to work not  
23 just for Texas but it needs to provide enough  
24 flexibility to work across the nation.

25                   We'll walk through each section of the

1 regulations listed on your briefing documents. There  
2 may be regulations that we have skipped because at first  
3 review we didn't think it important to comment.

4                   Also, there may be sections that we've  
5 determined need further research and review and will  
6 bring back in a future week. If at any point we've  
7 skipped a section and you would like to discuss, please  
8 just let us know. We'll be prepared to do so.

9                   CHAIRMAN ALCANTAR: Well, Debbie, I think  
10 one of the things that I want to start with is, as we  
11 undertake this, certainly when we talk about the -- an  
12 interest in the Texas model making sure that we maintain  
13 local control as much as possible, making sure that  
14 our -- that the effort and the focus is on market-driven  
15 type solutions and partnerships, that as we work to  
16 craft regulations that the focus is on something that  
17 does support what we're doing, and that while it's a  
18 good idea to inform the broader policy I do not want to  
19 create additional requirements and offering up  
20 additional recommendations in the interest of doing  
21 what's right for other states.

22                   Oftentimes when we try to do good things  
23 we wind up with additional burdens that are unnecessary.  
24 I want to be very careful about what we offer up to DOL  
25 given the need to maintain as flexible and focus as

1 possible regulatory structure. So with that I'll let  
2 you keep going.

3 MS. CARLSON: Okay. We'll start with  
4 Reference No. 676.100. This is in regard to the purpose  
5 of the unified and combined state plans. We have no  
6 comment on this section.

7 MR. TEMPLE: Debbie, the instructions that  
8 we were getting from DOL way back at the winter  
9 conference in February was, "Now, we want a unified plan  
10 and we're not going to accept four plans stapled  
11 together."

12 It looks like that's just exactly what  
13 they're going to be asking us to do, because it asked  
14 for the AEL plan and the State DR plan and then,  
15 basically, a cover sheet of how it melds with the other.

16 So it's not exactly as it was originally  
17 proposed to us of what we heard. Reagan.

18 MS. MILLER: True. Yeah, I mean, there's  
19 a strategic overlay but you do certainly have the  
20 compliance pieces attached to it.

21 CHAIRMAN ALCANTAR: So they honor the  
22 organizational structure rather than the intent.

23 Is that what you're saying pretty much?

24 MR. TEMPLE: Yep. All of those are in  
25 place and they overlay whatever WIOA is, but none of

1 this goes. So you're basically running parallel  
2 systems, one for the existing and then one for WIOA.

3 CHAIRMAN ALCANTAR: All right.

4 Unfortunate. All right. What's next?

5 MS. CARLSON: Okay. The next section is  
6 676.105. This is in regard to general requirements of  
7 the unified state plan.

8 We're in agreement with this section;  
9 however, we would like to make a comment and as part of  
10 that comment request that the joint planning guidance  
11 that is issued by the Secretaries of Labor and Education  
12 be issued as early as possible.

13 Unfortunately, there's a history of  
14 planning guidance coming out very late and not giving  
15 states an adequate amount of time to do the plan.

16 CHAIRMAN ALCANTAR: Certainly they need  
17 to -- you know, if you're going to do planning you  
18 should allow for some strategic thinking and account for  
19 all of that partnership that goes into it to be  
20 reflected rather than turning it into a compliance sort  
21 of activity.

22 I would agree.

23 MS. CARLSON: Okay. The next section is  
24 676.110. These are program-specific requirements that  
25 will be contained in the unified state plan for adult,

1 dislocated worker and youth programs. We have no  
2 comment on this section.

3                   The next section is 676.120. This is in  
4 regard to program-specific requirements in regard to  
5 Wagner-Peyser.

6                   We have no comment on this section.

7                   CHAIRMAN ALCANTAR: Okay.

8                   MS. CARLSON: Okay. The next section is  
9 676.125. These are program-specific requirements  
10 regarding vocational rehabilitation, and we have no  
11 comments.

12                   The next section is 676.130. This is in  
13 regard to the submission and approval process for the  
14 unified state plan.

15                   While we support this, we agree with the  
16 transparency and the openness required and expected with  
17 the planning. We would point out that there is an  
18 inconsistency between the regulations and the Act.

19                   The regulations talk about 90 days after  
20 submission of the plan, while the Act -- I'm sorry. The  
21 Act says 90 days after submission. The regulations say  
22 90 days after receipt.

23                   So they just need to clarify that so that  
24 there is no longer an inconsistency there.

25                   CHAIRMAN ALCANTAR: Okay.

1 MS. CARLSON: Okay. The next one,  
2 676.130(g), is that specific point about the  
3 inconsistency between submission and receipt.

4 The next section is 676.135. This is in  
5 regard to modifications the unified state plan. In this  
6 there is a requirement that at the end of the first  
7 two-year period of the four-year plan that states have  
8 to do a modification to the plan.

9 What we would recommend is that some  
10 flexibility be given to the states so that states could  
11 determine whether there had been any major change that  
12 warranted a modification.

13 CHAIRMAN ALCANTAR: I would agree.

14 MS. CARLSON: Okay. The next session is  
15 676.140. These are just general requirements for  
16 submission of a combined state plan.

17 And, again, like the unified state plan,  
18 we would request that the Secretaries issue the planning  
19 guidance with adequate time for states to prepare.

20 We would also recommend that in  
21 consideration of the combined plan that the Secretaries  
22 consider the core programs separately from any  
23 additional programs that are in that combined plan.

24 For example, if the parts of the plan that  
25 relate to the core programs were approved but there was

1 some delay with one of the additional partner programs  
2 in the plan we would recommend that the plan go ahead  
3 and be considered approved while resolution occurred on  
4 the remaining piece of it so that you don't hold the  
5 whole plan while you're trying to fix one component of  
6 it.

7 CHAIRMAN ALCANTAR: I would agree. That  
8 makes sense.

9 MS. CARLSON: Okay. The next section is  
10 676.143(b). This is in regard to the submission and  
11 approval process for the combined state plan.

12 With the combined plan, the way that the  
13 regulations are written, states are required to submit  
14 the plan to the Department of Labor who provides it to  
15 Education, but then the state also has to submit it to  
16 all the other appropriate Secretaries for any additional  
17 programs that are combined -- or contained in that  
18 combined plan.

19 Just for efficiency sake we would  
20 recommend that that be modified so that when it's  
21 submitted to the Secretary of Labor at the federal level  
22 they distribute to the appropriate Secretaries.

23 CHAIRMAN ALCANTAR: That makes sense.

24 MS. CARLSON: Okay. The next section is  
25 676.143(d). We disagree with this section. It's in

1 regard to the submission and approval process for the  
2 combined state plan.

3                   This states that the plan may not be  
4 approved if the relevant Secretary -- and this is in  
5 regard to one of those combined or one of the additional  
6 programs -- if the relevant Secretary determines in  
7 writing within the review period that the plan is  
8 inconsistent.

9                   And, again, this goes back to our prior  
10 comment that the core programs should be able to stand  
11 alone. If there's a problem with one of the other  
12 programs you shouldn't hold up approval of the entire  
13 plan because of that.

14                   CHAIRMAN ALCANTAR: Okay.

15                   MS. CARLSON: The next section is 676.145.  
16 This is in regard to modifications of the combined state  
17 plan.

18                   On this, modifications for the combined  
19 state plan are to be submitted. The language in the  
20 regulation says that it must be submitted for approval  
21 by only the appropriate Secretary.

22                   This is just a minor technical correction,  
23 but we think that "by the appropriate Secretary" or "by  
24 only the appropriate Secretary" should be changed to  
25 "only the appropriate Secretary."

1                   In addition, in the preamble the  
2 department is seeking comments on how to streamline the  
3 public review and comment process for the combined plan  
4 modifications.

5                   We would recommend keeping the approval  
6 process for core programs separate, just as we've talked  
7 about with the actual plan submission and do the same  
8 thing with modification, that core programs treat those  
9 independent of those additional programs.

10                   We would recommend that they use some  
11 existing language that's in current regulations, and  
12 absent that we would recommend that they at least  
13 provide states with the flexibility to determine what is  
14 a significant modification that would require a  
15 modification to the plan. Leave that up to the state to  
16 make that determination.

17                   CHAIRMAN ALCANTAR: I would agree  
18 entirely.

19                   MS. CARLSON: Okay. The next section is  
20 679.510(a)(1), and this is in regard to requirements for  
21 regional planning.

22                   We conditionally agree with this. This  
23 allows the state -- or we request that the guidance be  
24 modified to allow the state flexibility to structure  
25 regional planning efforts as we best see fit so that we

1 can maximize opportunities for local areas to continue  
2 the innovative developments that they've done in  
3 regional planning.

4                   You know, our local leadership, the chief  
5 elected officials, Board Chairs and Board EDs for a  
6 number of years now have done some significant things in  
7 regard to regional collaborations and we'd like to be  
8 able to recognize that. Give the states the  
9 flexibility.

10                   CHAIRMAN ALCANTAR: I agree.

11                   MS. CARLSON: The next section is  
12 679.510(a)(2). Again, these are more requirements on  
13 regional planning.

14                   Actually, I need to talk about a potential  
15 change to what you have in front of you. This morning  
16 as I was going over this I noticed an inconsistency  
17 between the preamble and the regulation language.

18                   In the preamble there's a statement that  
19 says that the regional plan incorporates local plans and  
20 that only a regional plan has to be submitted.

21                   However, in the actual language regulation  
22 language it does not read that way. It reads as if a  
23 local area would need to submit a local plan and a  
24 regional plan. And so I'm sorry to do this to you on  
25 the fly, but I would request that we make a change there

1 to the actual wording that you have in front of you and  
2 we change the comment to make a request for  
3 clarification.

4 COMM. ANDRADE: (Mic off) We are  
5 disagreeing?

6 MS. CARLSON: Yes, ma'am. We would  
7 disagree because we would ask for a clarification.

8 COMM. ANDRADE: (Mic off) I just want it  
9 noted on --

10 MS. CARLSON: Yes, yes. Okay. 679.520,  
11 again, more requirements on the approval of the regional  
12 plan.

13 This is a common issue or inconsistency  
14 that we saw both with the unified plan and the combined  
15 plan, the difference in the language between 90 days of  
16 receipt and 90 days of submission. So we would ask for  
17 a clarification on that.

18 Okay. The next one is 679.530. This is  
19 in regard to the regional plan modification. And,  
20 again, this is similar to what we've talked about with  
21 modifications with the others, that this really needs to  
22 be left up to the states to determine when a  
23 modification is necessary, not just because you've  
24 arbitrarily hit a two-year mark in time but leave it up  
25 to the states and locals to determine what is a

1 significant change.

2                   Okay. 679.540, this is in regard to local  
3 planning requirements. We agree with this section.  
4 There is language in the preamble that encourages  
5 governors to minimize the individual local Board burden  
6 by reducing any duplication.

7                   We always support any reduction of  
8 duplication.

9                   CHAIRMAN ALCANTAR: I agree.

10                   MS. CARLSON: Okay. 679.550. This is in  
11 regard to the requirements on the development of local  
12 plan. This is another one of those places where there's  
13 a discrepancy between what we read in the preamble and  
14 what we read in the regulation, whether if you do a  
15 regional plan do you also have to submit the local plan?

16                   So we would ask for a clarification here  
17 on what exactly the intent is.

18                   CHAIRMAN ALCANTAR: And, Debbie, as we --  
19 as we work on the language for these items involving  
20 local and regional planning, I want to make sure that  
21 we, through the process, incorporate the feedback from  
22 our Boards on these components.

23                   Thank you.

24                   MS. CARLSON: We can do that.

25                   CHAIRMAN ALCANTAR: Among other areas.

1 MS. CARLSON: Okay. 679.560, this is on  
2 content of the local plan, and we agree with this. It  
3 seems to be consistent with the Act.

4 679.570, this is in regard to the approval  
5 of the local plan, and this is our common problem of the  
6 discrepancy between 90 days of receipt and 90 days of  
7 submission.

8 We would ask for clarification, "What is  
9 the actual intent there?"

10 CHAIRMAN ALCANTAR: Okay.

11 MS. CARLSON: And then 679.580, this is  
12 about the local plan modification.

13 Again, I want to go back to the fact that  
14 it should be states and locals that make the  
15 determination on when a significant change occurs that  
16 warrants a modification rather than just the fact that  
17 you've hit the two-year mark.

18 CHAIRMAN ALCANTAR: Okay.

19 MS. CARLSON: Okay. And then the next  
20 item, this is a series of regulations all in regard to  
21 waivers. It is 679.600 through 679.640.

22 This describes general waiver provisions,  
23 the restrictions and the submission requirements for  
24 waivers, and these are consistent with what we currently  
25 know.

1                   We are in agreement with this and are  
2 appreciative of the fact that we still have the waiver  
3 possibility so that when the statute is not as flexible  
4 as we need it to be we can try and seek some relief from  
5 that.

6                   COMM. CONGLETON: So this can be waived or  
7 cannot be waived.

8                   MS. CARLSON: Sir?

9                   COMM. CONGLETON: So this can be waived or  
10 cannot be waived.

11                   MS. CARLSON: There are certain things  
12 that can be waived. There are certain things that  
13 cannot. The restriction on the things that cannot be  
14 waived are the same as we currently know under WIA,  
15 things like wage an hour, protections, employee  
16 protection, eligibility of participants and training  
17 providers, things like that that we currently can't  
18 waive.

19                   We still don't have the authority for  
20 that.

21                   MR. TEMPLE: Commissioners, what we'd do  
22 is that once these rules become final then we would look  
23 at those areas to where we --

24                   COMM. CONGLETON: We would have to ask for  
25 the waiver.



1 place until new regulatory framework is adopted.

2 MS. CARLSON: Yes, sir.

3 COMM. ANDRADE: I have a question. We  
4 talked about all the local plans and regional plans and  
5 what we agree and what's -- so, are there major  
6 differences from previous to this?

7 MS. CARLSON: I want to make sure that I'm  
8 answering the right question.

9 Do you mean major differences in what's  
10 expected to be in the plan?

11 COMM. ANDRADE: Yes.

12 MS. CARLSON: I'm not sure that I would  
13 characterize it as "major differences."

14 MR. TEMPLE: Not for us.

15 MS. CARLSON: Right.

16 MR. TEMPLE: Not for us.

17 COMM. ANDRADE: Because I always thought  
18 that they kind of took after the Texas model. So we  
19 won't have to be making as many changes as other states  
20 will.

21 MS. CARLSON: Absolutely.

22 MR. TEMPLE: I think when the Chairman  
23 first saw WIOA he said that Texas has looked like WIOA  
24 since '95.

25 COMM. ANDRADE: Yes, I said that, too. I

1 just wanted to make note of that, that other states will  
2 have more work than we do.

3 MS. CARLSON: Absolutely.

4 COMM. ANDRADE: Thank you.

5 MS. CARLSON: Okay. That is the end of my  
6 section for today.

7 Thank you.

8 CHAIRMAN ALCANTAR: You did a good job,  
9 Debbie.

10 COMM. ANDRADE: Yes. Thank you, Debbie.

11 CHAIRMAN ALCANTAR: We really appreciate  
12 it.

13 COMM. ANDRADE: When I look at all of this  
14 I'm thankful for you being a detailed person.

15 MR. TEMPLE: (Mic off) Anson.

16 MR. GREEN: Okay.

17 CHAIRMAN ALCANTAR: Good afternoon, Anson.  
18 How are you?

19 MR. GREEN: Good afternoon, Commissioners,  
20 Chairman.

21 CHAIRMAN ALCANTAR: Good.

22 MR. GREEN: I want to thank you and talk a  
23 little bit about the Adult Education and Literacy NPRM.  
24 For Title II, this combines both the draft regulations  
25 for WIOA as well as revisions to existing AEFLA

1 regulations.

2 Overall, the proposed AEFLA regulations  
3 reflect a lack of poor coordination with the Department  
4 of Labor related to specific requirements, expectations,  
5 accountability and vision.

6 As we run through the sections we address  
7 several major themes where we would note these  
8 weaknesses and proposed recommended enhancements; most  
9 importantly reiterate many of the comments you will hear  
10 from Adam related to performance accountability.

11 To this point I would remind you that the  
12 Commission has already provided comment to the  
13 Department of Education on adult education performance  
14 accountability and the Commission's recent Federal  
15 Register response from March 10th related to the  
16 national reporting system educational functioning  
17 descriptors, and we refer to those in our comments.

18 The Department of Education is attempting  
19 to use that prior information requested of the federal  
20 register posting to use that accountability framework in  
21 WIOA, but it was provided without the context of WIOA.

22 So we make the comment several time  
23 related to that gap, and that's also echoed by Adam in  
24 his responses. Because of the sparseness of the  
25 guidance you'll note that it's much smaller than the

1 other NPRMs. We're concerned that the Department of  
2 Education will continue the historical trend of  
3 providing ad hoc guidance through letters or OMB  
4 collection without providing states an avenue to comment  
5 and to support the development of guidance to more  
6 accurately reflect local implementation needs.

7                   That being said, WIOA does provide notable  
8 enhancements to the Adult Education and Literacy system,  
9 including changes the Commission will embrace. We have  
10 integrated education and training models that accelerate  
11 Texas model and an increased focus on Workforce  
12 preparation and the ability to use funds to pay for  
13 training.

14                   So that constraint that has been  
15 challenging for us to do integrated models is lifted in  
16 WIOA. Unfortunately, though, these proposed rules  
17 provide sometimes inadequate or poorly conceptualized  
18 guidance, and it's often weekly coordinated with the  
19 other titles, and so we provide comment related to that.

20                   So if we move to the actual comments per  
21 section at the bottom --

22                   CHAIRMAN ALCANTAR: Anson, as we draft our  
23 comments for this, certainly want to address the issue  
24 of the extent of the guidance but want to be careful to  
25 not ask for a framework or to talk about how sparse they

1 are, but to be very precise about what we're asking. I  
2 don't want to encourage them to give us more  
3 regulations.

4 MR. GREEN: Right.

5 CHAIRMAN ALCANTAR: I want to be very  
6 specific about the sort of things that they need to  
7 clarify in terms of the flexibility that we need to do  
8 the things that are needed, and if it doesn't prohibit  
9 it don't need to ask for something that may, in fact,  
10 complicate it.

11 So -- but with that I'll let you go and  
12 we'll have comments as we go through this.

13 MR. GREEN: Thank you for that feedback.

14 COMM. CONGLETON: I noticed in your  
15 comments as soon as I read them that you had words like  
16 "inadequate, weak, half-hearted" and "dismal." So I  
17 knew you pretty well agreed with this document.

18 (Laughter)

19 MR. GREEN: Excuse me, sir. I didn't hear  
20 your last statement.

21 COMM. CONGLETON: I said I knew that you  
22 pretty well agreed with the document.

23 MR. GREEN: Yeah. Well, I mean, we take  
24 exception with a lot of the guidance here because it  
25 just seems so out of line with the bigger picture intent

1 of WIOA and want to make sure that we can arrive at a  
2 system that is a system where we are trying to  
3 accomplish here in Texas for the last two years.

4                   So if we move to the point-by-point  
5 guidance, Section 463.1, we conditionally agree to this.  
6 This addresses the purpose of AEFLA.

7                   We agree with the expansion of AEFLA's  
8 purpose to include transition post-secondary education  
9 and training and career pathways, but the regs don't  
10 align with other references to these services related to  
11 English language learning. So we see some  
12 inconsistencies there and we point those out.

13                   We also make a technical edit in this  
14 section. At 463.3 we make several comments related to  
15 the specific definitions in Title II. The definitions  
16 of concurrent and co-enrollment conflict with the other  
17 titles by referencing WIOA as having four core programs  
18 rather than six.

19                   This may either be an oversight or just  
20 lack of coordination across the federal agencies. So we  
21 recommend some changes there. We make other  
22 recommendations to other definitions, including peer  
23 tutoring and reentry initiatives where we ask for some  
24 more flexibility in those definitions.

25                   For the definitions of Workforce

1 preparation, digital literacy and integrated education  
2 and training we recommend -- we recommend corresponding  
3 their information related to accountability framework,  
4 and you will see this come up over and over.

5                   We have references to very important items  
6 for us in Adult Education and Literacy through just a  
7 definition, but then we don't see a corresponding method  
8 by which we could measure some of those activities.

9                   MS. MILLER: And I just want to point out  
10 that this is a pretty big change for this program where  
11 they specifically say that Workforce prep and integrated  
12 education and training is considered in the definition.

13                   We've never been allowed to fund those,  
14 but I don't believe on any of the webinars or conference  
15 calls this has been something that's been highlighted at  
16 the national level. But when we read the regs we  
17 certainly read that it's allowable as an activity.

18                   MR. GREEN: I think overall -- I mean,  
19 like I said earlier, we see lots of enhancements, but  
20 then we're still, it appears, left with an  
21 accountability framework that is what we currently have.  
22 So we need to kind of encourage that alignment through  
23 that model.

24                   Reference to 463.21 is an item we disagree  
25 with. It addresses the alignment of Adult Education and

1 Literacy to local plan in the Workforce system, and here  
2 we find the language "unnecessarily restrictive,"  
3 compared to the language in WIOA and recommend that  
4 state should be afforded the ability to develop  
5 operational processes themselves to ensure alignment  
6 consistent with WIOA, Section 103.232.

7                   At 463.23 we conditionally agree. This is  
8 on local grants and contract eligibility. In here we  
9 want to point out that there's a great enhancement in  
10 that employers in partnership with other organizations  
11 like colleges or other educational institutions or  
12 nonprofits are eligible to receive adult ed funds.

13                   So that's a major step forward for us for  
14 integration. Our disagreement lies in the fact that in  
15 463.24 they require a model for demonstrated  
16 effectiveness.

17                   So it says to be eligible for adult  
18 education you must demonstrate effectiveness in these  
19 areas, and the demonstrated criteria really are the  
20 criteria that would favor an incumbent adult education  
21 system --

22                   CHAIRMAN ALCANTAR: Right.

23                   MR. GREEN: -- and for which employers may  
24 not have data to --

25                   CHAIRMAN ALCANTAR: Anson, in 423.3 and

1 maybe even 423.21, when you're addressing the role of a  
2 local Board to receive the plan, are we in any way  
3 limiting the ability of a local Board to be a grantee?

4 MR. GREEN: That's an area that we  
5 actually kind of address in our comment or concerned  
6 with is if there is --

7 CHAIRMAN ALCANTAR: Not us, but did the  
8 regs do that?

9 MR. GREEN: Yeah. It appears that the  
10 rates don't embrace a model that the Board would be the  
11 grant recipient and also be approving its own grant.

12 So that is an area -- I think the model is  
13 kind of predicated on a very siloed system in other  
14 states where the Boards would not apply for these funds  
15 in Texas.

16 Of course, three of our Boards are  
17 applicants and grant recipients.

18 CHAIRMAN ALCANTAR: And I think that  
19 that's something that we want to highlight very  
20 specifically, that there should not be anything that  
21 limits the involvement and the ability to leverage  
22 resources like some of our areas are currently  
23 demonstrating.

24 Then when you get to 463.24 I am -- I do  
25 think that we need to highlight, as you're suggesting,

1 how that prior experience and demonstrated performance  
2 really limits competition. It does not provide for open  
3 and competitive procurements as offered up, and I think  
4 we need to address that language or those limitations  
5 that they are putting forward.

6                   You know, when you do these sort of  
7 things, the intent might be honorable but they have the  
8 effect of limiting the ability to really enhance  
9 performance by the prospect of other competing  
10 organizations out there who under an open and more -- or  
11 under a more open procurement might be able to bring  
12 more to the table.

13                   So I want to make sure that we address  
14 that very clearly.

15                   MR. GREEN: Thank you very much. And then  
16 463.26, it's on administrative cost limits. This is  
17 something we actually have a meeting on later today to  
18 discuss.

19                   There's issues related to alignment with  
20 the other titles, and the team is getting together to  
21 discuss some of those areas there.

22                   CHAIRMAN ALCANTAR: What sort of --

23                   MR. GREEN: You know, one of the areas --  
24 it appears that the requirement is a 5 percent cap on  
25 adult education funds, but then requirements to fund the

1 One-Stop system contribution of adult education, as well  
2 as some conflicts related to providing professional  
3 development or requiring professional development to be  
4 funded through admin costs, and as you know that's  
5 something we fund in state leadership dollars  
6 traditionally.

7                   In WIOA it's allowed in state leadership  
8 but they seem to be placing that burden also in the  
9 administrative cap. So we're real worried about a 5  
10 percent cap, and a lot of these other alignment costs  
11 with the other programs that -- including the  
12 infrastructure costs and all may make it challenging for  
13 implementation.

14                   CHAIRMAN ALCANTAR: Well, to the extent  
15 that we address it, I want to be very clear that we're  
16 not advocating for additional -- that the focus doesn't  
17 remain on -- I want to be very clear that the focus  
18 remains on greater service provision and not get into  
19 that too much, but at the same time highlighting the  
20 challenges that it presents.

21                   That's what you're intending to do here?

22                   MR. GREEN: Yes, that's correct. So if we  
23 move to Page 3 at 463.30, this addresses Adult Education  
24 and Literacy programs, activities and services. In here  
25 we support the inclusion of workplace Adult Education

1 and Literacy services. This is our site-based or  
2 work-based model that's included in WIOA and the  
3 inclusion of Workforce preparation activities. But,  
4 again, we recommend here the need for an accountability  
5 framework.

6                   In here the workplace especially -- this  
7 is the only reference to workplace literacy. So we take  
8 the opportunity to point that out and to say, in  
9 particular, that these employer-based models benefit  
10 from unique instruction, of course, because they're  
11 constructed to meet a business's needs, but it also  
12 needs to deploy and include some sort of customized  
13 accountability framework, because a standardized test  
14 that you might use in a regular adult education class  
15 may not measure those basic skill that are being taught  
16 on behalf of the needs of an employer.

17                   At 463.32, this addresses the English  
18 language acquisition program. English language  
19 acquisition is the new term for ESL. So ESL is no  
20 longer used in WIOA.

21                   They use English language acquisition. In  
22 here there's notable changes to, first, an alignment to  
23 college and career readiness standards and to real-world  
24 outcomes for program related to attainment of high  
25 school completion, transition to post-secondary

1 education and employment.

2                   So that's a significant change in terms of  
3 really aligning ESL -- you know, a standard ESL English  
4 language acquisition now to these real-world outcomes.

5                   We agree, of course, with this alignment  
6 and embrace it, but we make a comment that we need to be  
7 sure that there's an accountability system to help  
8 measure the skills required to effectively transition  
9 English language learners into these outcome-based  
10 components.

11                   CHAIRMAN ALCANTAR: And, again, Anson, the  
12 only thing that I would ask is that as we're discussing  
13 these -- you know, the coordination between these two --  
14 between DOL and ED that -- and that as we're talking  
15 about guidance or frameworks that we're very precise  
16 about we're suggesting that we're not open-ended on, you  
17 know, we want more requirements and greater --

18                   MR. TEMPLE: So in that instance we would  
19 ask -- we would clarify that the states have the  
20 authority to put in the accountability systems that they  
21 would do to match those, not asking them to design an  
22 accountability -- on those type of things that's where  
23 we want to go.

24                   CHAIRMAN ALCANTAR: I do not want to be  
25 proposing frameworks at the federal level that are not

1 precise, because you wind up with additional burdensome  
2 requirements, usually measures that aren't mattering to  
3 the people that we're serving and to the overall state's  
4 efforts.

5                   So let's be very clear about that.

6                   MR. GREEN: This section, (inaudible)  
7 references career pathways, and here, of course, we  
8 embrace the inclusion of career pathways related to all  
9 the program components but here especially for English  
10 language learners.

11                   We recommend that there's places where we  
12 would benefit from additional guidance in the  
13 implementation of career pathways both in Titles I and  
14 II, in particular, related to the allowability of  
15 costs.

16                   These are models that sometimes in the  
17 past has been difficult determining what is an allowable  
18 cost, and we would think that even though this is a  
19 major advance to include this, a little bit more  
20 guidance on what the requirements and what can be  
21 accomplished with those AEFLA funds for career pathways  
22 would benefit the program.

23                   We use this example -- this is an area  
24 where we would advise against the development of ad hoc  
25 guidance. The Department of Education has released

1 previous guidance related to things very specific to the  
2 integrated education and training program without the  
3 ability for states to provide comment, and that has  
4 really hampered us.

5                   So those are areas where even though we  
6 are intentionally wanting to ask for more federal  
7 guidance we're worried that they may just provide  
8 guidance through other mechanisms without the ability of  
9 the states to provide input.

10                   CHAIRMAN ALCANTAR: And, again, it's the  
11 balance between getting the flexibility that you need to  
12 move forward with these partnerships that you're  
13 creating at the local level versus an open-ended request  
14 for a misinterpretation.

15                   So let's be very clear about what sort of  
16 things we want them to allow. I agree with you. The  
17 need to end the practice of the past in terms of  
18 offering guidance through the letters or through  
19 regional discussions is something that is in everyone's  
20 best interest, but this is our opportunity to be more  
21 clear about what it is that we want.

22                   MR. GREEN: Thank you. Section 463.33  
23 addresses the integrating English Literacy and Civics  
24 Education program. This is the EL civics program you  
25 may recall, and perhaps here we see some of the biggest

1 programmatic changes of which we would embrace.

2 WIOA requires the civics program to be  
3 provided in combination with integrated education and  
4 training. So here we have a combination of the English  
5 language acquisition, civics education and training  
6 activities.

7 We note here at 463.33 that there's some  
8 requirement or recommending some consistency as there's  
9 some inconsistency with other parts in the regulation  
10 related to this integration with training.

11 CHAIRMAN ALCANTAR: Okay.

12 MR. GREEN: At 463.34, this is a  
13 description of the Workforce preparation activities.

14 Here we agree with these conditionally,  
15 but we see the regs just simply restate the WIOA  
16 definitions, and here we recommend some components for  
17 accountability framework as we had recommended in our  
18 previous comment letter that was sent back on March 10th  
19 to see these very important employability skills removed  
20 out of the educational accountability framework and  
21 provided their own framework for accountability.

22 463.36 addresses required components of an  
23 integrated education and training program. So this is  
24 the Accelerate Texas model, and here we disagree with  
25 some of the required components in that they both lack



1 to support the addition of integrated education and  
2 training program as the allowable activity here to be  
3 able to fund Workforce training through the AEFLA  
4 dollars.

5 I mentioned this earlier, but we really  
6 want to strongly support the flexibility to use these  
7 funds to provide training services. That's been  
8 probably one of the largest limiters to the  
9 implementation of these models, and as you recall we've  
10 had to integrate our models with other external funding  
11 sources to provide that training component.

12 MS. MILLER: Anson, I just want to  
13 clarify. I think this is the section, though, where we  
14 have concerns when they define what integrated education  
15 and training is. They talk about it instructionally  
16 balanced proportionally across all three components.

17 So they're being very prescriptive about  
18 what it would mean to have an integrated program which  
19 really limits state flexibility in designing those  
20 services.

21 So we would want to comment on the need to  
22 provide some additional state flexibility.

23 CHAIRMAN ALCANTAR: I think we need to do  
24 that. Absolutely.

25 MR. GREEN: Absolutely. Absolutely. So

1 at 463.37, again, this is the comment that Reagan was  
2 referring to related to the definition of "integrated,"  
3 and we recommend that we feel like it's overly  
4 prescriptive and that we want to make sure that there's  
5 better alignment with the definitions so that they don't  
6 create a model that's too difficult to implement.

7                   463.63 describes the use of funds for  
8 reentry and post-release initiatives and correction. So  
9 this moves to the topic of corrections education. We  
10 agree with the allowability of funds under the program  
11 of corrections and the funding of reentry initiatives  
12 and post-release services.

13                   463.70, we conditionally agree. This is a  
14 description of the use of funds for that integrated  
15 English Literacy and Civics program. Here WIOA includes  
16 Workforce training, and we also note that WIOA states  
17 that the funding can be provided for EL, English  
18 Literacy and Civics Education in combination with  
19 integrated education and training.

20                   So we recommend that this be outlined in  
21 this section of the regulations, and, again, some  
22 inconsistency across some of the components within Title  
23 II.

24                   463.73, we agree with. This outlines  
25 requirements of providers in the integrated English

1 Literacy and Civics program. Here we agree with the  
2 proposed regulations that support the objectives related  
3 to moving individuals from English language instruction  
4 into training and the inclusion of placement services as  
5 was previously mentioned.

6 So we have it allowed here and some  
7 inconsistency with the other titles -- or other  
8 programs. The last part here in the 462 section --

9 MS. MILLER: If I could just -- this ELL  
10 integration with education and training is also a  
11 change.

12 MR. GREEN: Yes.

13 MS. MILLER: We've actually had a writer  
14 in the state for years that says "don't provide" -- it  
15 said "ESL, a standalone, integrated with education and  
16 training."

17 So now we're seeing that the feds are  
18 actually replicating something that we've done for quite  
19 some time on the Workforce side.

20 MR. GREEN: Absolutely. This is our  
21 largest population in our program, and so the inclusion  
22 of these objectives really will help us move forward to  
23 some of these things that we know are right that work  
24 that help individuals in these programs get training so  
25 they can re-enter the workforce in high-skilled jobs.

1                   CHAIRMAN ALCANTAR: It certainly allows us  
2 to leverage some of our investments we've made over the  
3 past year and try to scale up some of those efforts. I  
4 would agree.

5                   MR. GREEN: So we move to the updates to  
6 regulations on testing and assessment that were in  
7 Section 462.

8                   These get specifically into things that  
9 are already existing and that are just enhancements to  
10 align with items in WIOA. So 462.10 is a description of  
11 how the Secretary of Education will review tests for  
12 inclusion on the national reporting system; so,  
13 basically, the compilation of the aloud test to use in  
14 adult education.

15                   We agree with the additional two  
16 additional dates to the two-year review cycle so that  
17 test publishers can get tests submitted and reviewed  
18 earlier.

19                   At 462.12 and 13, these are the procedures  
20 to review the suitability of test and criteria. In here  
21 we disagree and made comment back to our earlier comment  
22 letter on these national reporting system educational  
23 descriptors with the inclusion of the work readiness  
24 descriptors.

25                   So we recommend, again, and reiterate our

1 comments that were submitted to the Department of  
2 Education.

3                   At 462.40, this has to do with the state  
4 assessment policy. Here TWC -- we state that we  
5 disagree with the requirement that states be held to the  
6 publisher's recommended pre/post-test hours.

7                   This is a real technical component where  
8 programs are required to test students. It is a  
9 post-test only after they've completed so many certain  
10 hours as recommended by the test publishers. So they  
11 aren't supposed to -- we can't administer a post-test  
12 until, say, 60 hours of instruction for a (inaudible)  
13 test.

14                   Our comments speak to the point that that  
15 is not the best indicator sometimes. Sometimes you have  
16 intensive instruction models. In other areas you need  
17 some flexibility but this has been an area that really  
18 has been a limiter to incorporation and flexibility for  
19 some of the innovative models, and it doesn't account  
20 for the fact that students leave programs early and then  
21 come back and for other reasons.

22                   CHAIRMAN ALCANTAR: So what is our state's  
23 current assessment and policy?

24                   MR. GREEN: Right now the policy that --  
25 the requirement for us that was approved by the

1 Department of Education is that no student can be  
2 post-tested below those test publisher hours.

3                   That has been something the states have  
4 complained about quite a bit. You know, in the research  
5 it shows -- you know, what the Department of Education  
6 is trying to guard against is people testing too early  
7 and then not getting a gain and it hurts performance.

8                   So there's a strong rationale and research  
9 behind it. But having an established guideline in the  
10 regulations that doesn't allow for flexibility would  
11 really inhibit and reduce our flexibility to kind of  
12 integrate more accelerated and intensive models.

13                   CHAIRMAN ALCANTAR: So why not have states  
14 set their own assessment policies and defer to that so  
15 that we can align with our unique different strategies  
16 and approaches to that?

17                   So it would be either the publisher's  
18 guidelines or the state's; you know, preferably just the  
19 state's assessment of policy which would account for the  
20 publisher's guidelines.

21                   MR. GREEN: Our comments actually speak to  
22 saying, you know, allow the states flexibility because  
23 of -- you know, we do have unique models and need some  
24 flexibility on this. It can't just be this  
25 one-size-fits-all model through the assessment --

1                   CHAIRMAN ALCANTAR: And so the comment  
2 will focus on states being able to set their own  
3 assessment and policies and just defer to that?

4                   MR. GREEN: Uh-huh.

5                   CHAIRMAN ALCANTAR: Okay.

6                   MR. GREEN: Yes. So for 462.41, 42 and  
7 43, again, more descriptions on the use of tests to  
8 measure educational gain.

9                   These comments also reflect and duplicate  
10 some of the comments from Adam Leonard on the  
11 performance and accountability section, and he will  
12 address those in probably greater detail, but we do find  
13 significant flaws in the current model.

14                   Basically the model that we currently  
15 implement is what they're proposing that we use under  
16 WIOA. There are issues related to including all  
17 students in our performance measure even if they haven't  
18 had enough hours in the program to adequately make a  
19 progress.

20                   The current model also supports kind of a  
21 year-long -- or once-a-year reporting from July to a  
22 June time frame, and because of including all students  
23 it really discourages enrollment of students in the  
24 Spring.

25                   As you know -- I mean, students -- or

1 programs are reluctant to enroll students at this time  
2 of year because they may not meet the number of hours  
3 needed to post-test, and, thus, those students would be  
4 prevented -- or not -- would detract in our performance.

5                   So things like the Maymester that we've  
6 talked to you about in the future and that we're  
7 implementing to boost enrollments are really something  
8 that's hampered in that current accountability model.

9                   Another area that we address is currently  
10 and as is in the regulations the Department of Education  
11 in the reading, writing, math or English Literacy, a  
12 student's performance is measured only on their lowest  
13 scored area.

14                   So if they score low in math, then the  
15 program gets a gain only if the student progresses in  
16 math. So that -- you get what you measure, and so  
17 teachers with say, "Well, let's focus on math for the  
18 student" at the cost perhaps of focusing on reading or  
19 writing which are also needed skills of the student most  
20 likely.

21                   This really hurts us in doing the  
22 integrated education and training models, because for  
23 certain technical programs a student may score low in  
24 math but that's really not a strong requirement or a  
25 needed requirement for the training program.

1                   It's not the most important requirement.  
2     So the student will be getting a lot of math instruction  
3     when they really may need reading or writing instruction  
4     to be successful in the occupational training.

5                   So there's kind of a perverse model in  
6     terms of us continuing only the lowest skill level,  
7     which is what we currently do now in getting performance  
8     for.

9                   So we recommend rethinking that and  
10    looking at all the skill levels in terms of gain and  
11    allowing flexibility for, especially, these innovative  
12    models through a performance framework.

13                  Those are areas Adam will be addressing in  
14    his comment also. This is where we see some real  
15    misalignment with kind of the WIOA, with the section on  
16    performance accountability and then with the Department  
17    of Education in Title II.

18                  462.44 again describes the educational  
19    functioning levels and, again, we reiterate with a  
20    process that the Department of Ed is used to incorporate  
21    the existing educational functioning level descriptors,  
22    because this comment process that we submitted our  
23    letter on March 10th took place before the draft  
24    regulations and really does not embrace the spirit of  
25    WIOA because it came out and was completed before the

1 WIOA rules, and that concludes our review of the Adult  
2 Education Title II component.

3 CHAIRMAN ALCANTAR: Excellent job, Anson.  
4 I appreciate all the hard work.

5 I think you've highlighted a lot of areas  
6 for us to focus on, and I just conclude my remarks  
7 relative to this work and this section of the NPRM by,  
8 again, let's just be very clear about what we're asking  
9 for and not be vague in any kind of guidance requested  
10 or accountability frameworks given what we know about  
11 the entity in question. So...

12 MR. TEMPLE: (Mic off) So do you want to  
13 break and then come back with Adam?

14 CHAIRMAN ALCANTAR: I think that would be  
15 a good idea. Let's break for 30 minutes. We'll take up  
16 Adam at 1:30.

17 Thank you.

18 (Recess: 12:56 p.m. to 1:33 p.m.)

19 CHAIRMAN ALCANTAR: All right. We'll  
20 continue on with this work session. Commissioner  
21 Congleton is not feeling very well. So hopefully he'll  
22 make it back.

23 All right. Adam, I think you're up.

24 MR. LEONARD: All right. Good afternoon.  
25 I appreciate the opportunity to talk with you about some

1 of our observations with regard to the performance  
2 accountability section in -- that was published in the  
3 first NPRM.

4                   One of the things that's kind of unique  
5 about this section is that they set up essentially --  
6 there's going to be three copies of every rule.

7                   So within these comments you're going to  
8 see references, essentially, to three different rules  
9 every time because the language in those rules are the  
10 same. I was just doing that to make it easier when the  
11 comments get submitted for the federal reviewers to know  
12 what we're referring to if they decide to silo up their  
13 analysis.

14                   CHAIRMAN ALCANTAR: Okay.

15                   MR. LEONARD: So in looking at this --  
16 let's see -- there are a few kind of overarching  
17 comments.

18                   I mean, the things that Debbie talked  
19 about are definitely probably within our thinking, but  
20 there are some areas where we were really concerned that  
21 there wasn't sufficient guidance to ensure that there  
22 would be consistent application across the states, and  
23 that's something that we think is important, and we  
24 tried to provide very specific recommendations to the  
25 departments or for you to consider to give to the

1 departments; in many instances, actually, rewriting  
2 whole sections of rules to try to implement some of our  
3 suggestions.

4                   We're also concerned about some of the  
5 consistency between the programs, that there are six  
6 core programs in WIOA and, yet, the Adult Education  
7 piece seems to be somewhat inconsistent the way that  
8 they're proposing to implement some of these pieces,  
9 especially with regard to the way that the reporting  
10 would occur, that that would be under its own separate  
11 system that might look very different than the other  
12 five programs and that would have potential implications  
13 for cost and consistency and perhaps be a barrier to  
14 integration, something we had seen in the past before we  
15 moved to an integrated reporting model within Texas.

16                   Perhaps the biggest concern is in the --  
17 or the biggest two concerns is, one, the exclusion of  
18 self-serve only customers from -- in the traditional  
19 Workforce programs, that those customers who are  
20 utilizing our self-service programs only would not be --  
21 or services only would not be included in performance.  
22 They would not be considered participants.

23                   There are a number of reasons that I'll go  
24 through when we get to that section to try to explain  
25 some of those concerns. This really kind of gets to the

1 issue of the curious versus the committed. That's the  
2 kind of phraseology I've come up with, that we have  
3 people who are curious in looking for work or seeing  
4 what's available out there, and then we've got people  
5 who are really committed to using the system, and  
6 ultimately what we need to see in the performance  
7 accountability system is a way to differentiate between  
8 the curious and the committed so that way those who are  
9 committed to using the system, those are the ones we  
10 have accountability for and we report the results on.

11           There's also -- the other big thing is, we  
12 know that performance measures influence behavior. We  
13 count on it in some instances to try to develop measures  
14 that we hope will influence behavior in certain  
15 directions.

16           We've done that successfully in the past  
17 in Texas. So what we're looking for in here is -- or  
18 what we found is there are instances where we believe  
19 that the measures or the guidance and structure would  
20 create perverse incentives. That might not be in the  
21 interest of our customers.

22           That would basically reward behavior, make  
23 you look good on performance in doing things that is not  
24 ultimately in the interest of the job seekers, the  
25 employers, or really the intent of the statute.

1                   So I'm going to go ahead and go through  
2 the sections of the proposal one by one. I won't go  
3 into extreme detail on them because it's rather lengthy,  
4 but I'll try to hit the high points in each one, and if  
5 you have a question or suggestion on that, I'm happy to  
6 go any deeper that you would like on them.

7                   So the first set of comments that we put  
8 together had to do with the key definitions, and those  
9 are the definitions of what a participant is and --

10                   CHAIRMAN ALCANTAR: Adam, as you're going  
11 through these, just go ahead and read out the first one,  
12 677.150.

13                   MR. LEONARD: Absolutely.

14                   CHAIRMAN ALCANTAR: And then you don't  
15 have to do the following two.

16                   All right?

17                   MR. LEONARD: Sure. So it's what  
18 definitions apply to WIOA performance measurement and  
19 reporting requirements. And so the key definitions of  
20 participant and exiter are in here or when Exit occurs.

21                   This is where we got into the question  
22 about the self-serve only customers and the need to go  
23 ahead and include them. There's a lot of argument in  
24 favor of this, and our concerns are rebutting some of  
25 their positions, because ultimately we don't want to

1 just say what we are in favor of. We want to try to  
2 explain why we think it's the right way to go and we  
3 want to be able to kind of address some of the arguments  
4 they made against including self-service only people,  
5 because we won't actually be in the room to have the  
6 discussion.

7                   So we're trying to anticipate what  
8 rebuttals they themselves might have to points that  
9 we're raising, and it would be more effective in terms  
10 of this proposal. There were a number of really  
11 positive things we did see in there.

12                   For instance, within the VR world and  
13 within the adult ed world they do, in fact,  
14 differentiate between the curious and the --

15                   CHAIRMAN ALCANTAR: So what's the  
16 fundamental argument for self-service?

17                   MR. LEONARD: To include them?

18                   CHAIRMAN ALCANTAR: Yeah.

19                   MR. LEONARD: Self-service customer -- I  
20 mean, we invest a lot of money into resources in order  
21 for people to be able to get Workforce assistance  
22 anyplace anytime, and ultimately there are people who  
23 are able to have positive results getting -- using those  
24 resources.

25                   So we think that there should be

1 accountability for the success or lack thereof of those  
2 investments.

3 CHAIRMAN ALCANTAR: But don't individuals  
4 become self-service because many of them prefer that,  
5 and it's also a means to increase access and to really  
6 expand and leverage our resources in a way that responds  
7 to the dynamics involving available resources and the  
8 demand for services? So --

9 MR. LEONARD: Absolutely.

10 CHAIRMAN ALCANTAR: -- I think it should  
11 always be about -- our focus should be on the needs of  
12 the individual and their desired --

13 MR. TEMPLE: And there's a bias --

14 CHAIRMAN ALCANTAR: -- mode of service  
15 delivery. I think we understand that we do well through  
16 our One-Stops, and we have demonstrated excellence in  
17 face-to-face service within those One-Stop centers that  
18 we operate, but we also over the time that we've been  
19 doing this understand that we need to do more to  
20 increase access points, and I think that's the focus of  
21 what we should --

22 MR. LEONARD: That definitely needs to be  
23 a part of that conversation. In fact, we reviewed some  
24 data -- national data. What we found is that a lot of  
25 the people who are self-service today were previously

1 staff-assisted customers.

2                   So these are people who may not have  
3 really known what was available or how to best use those  
4 services. They got staff assistance once before,  
5 learned it, and when they came back they went straight  
6 to that.

7                   So that really gets to the point you were  
8 making about increasing -- or limited resources and  
9 increasing access.

10                   CHAIRMAN ALCANTAR: Larry, you were  
11 wanting to make a comment?

12                   MR. TEMPLE: Well, there's a bias against  
13 rural states, too; in particular, states like Texas who  
14 have had a good economy, and our slice of the pie has  
15 gotten smaller and smaller.

16                   You know, in the last five or six years  
17 we've closed probably 150 offices; in the last two years  
18 100 offices. So we have had to invest in technology to  
19 be able to have people, like you're saying, be able to  
20 access different areas. And particularly the younger  
21 population we're dealing with are going to use the  
22 phone. They're going to use the iPADS, that sort of  
23 thing.

24                   So there's -- it's certainly customer  
25 service, and I believe there's an argument saying it's a

1 bias against states with large rural areas.

2 CHAIRMAN ALCANTAR: And it also ignores  
3 the preference of employers in term of how they want to  
4 interact with certain child seekers, and I think  
5 that's -- we're not always going to get our employers to  
6 come down to our facilities to do the interviews.

7 MR. TEMPLE: Or they post their own jobs.

8 CHAIRMAN ALCANTAR: Right. Right. And so  
9 there needs to be an accounting for that in the rules  
10 that are promulgated.

11 MR. LEONARD: Not only that, but often it  
12 is staff that are involved in working with employers to  
13 get data into the self-service system, good job  
14 applications, et cetera, so that a person can have a  
15 successful self-service outcome.

16 These things are completely missed, I  
17 think, in their original proposal. We're also concerned  
18 that it might create a perverse incentive to cream  
19 (phonetic) in the sense that, well, if you don't think  
20 someone is going to have a particularly good outcome, if  
21 you can try to figure out a way to get them to  
22 self-serve, there's no accountability for it, and we  
23 think that that's probably against the intent of the  
24 statute here which is to try to, you know, improve  
25 services, in particular, to groups of people who might

1 have multiple barriers to employment and may not have  
2 had good outcomes in the past.

3 CHAIRMAN ALCANTAR: Okay.

4 MR. LEONARD: Okay. So then there's a lot  
5 of discussion around the careers first committed and  
6 building on the points that we were just talking about.

7 So moving past that, there's the question  
8 of what should be considered a qualifying service. In  
9 the historic system, the idea of a qualifying service is  
10 that receipt of qualifying services is what makes you a  
11 participant and puts you into -- potentially into the  
12 performance calculations.

13 They don't really define them in great  
14 detail in the statute or in these regulations, and we  
15 wanted to go ahead and recommend putting that in there,  
16 in particular, because we thought there might be an  
17 opportunity here to try to resolve some inconsistencies  
18 between the way supportive services are counted in some  
19 programs and in others.

20 Specifically right now if a customer is  
21 receiving -- if a trade customer is receiving supportive  
22 services in the form of TRA, that in an of itself is  
23 considered a qualifying service that makes the person a  
24 participant without the receipt of any additional actual  
25 services that they receive a training waiver and they're

1 getting TRA they're included as a participant.  
2 Meanwhile, a claimant who has filed for benefits and is  
3 not using the Workforce system in their job search and  
4 perhaps they're working with a recruiting firm or  
5 something along those lines outside of our system, those  
6 benefits do not make them a participant.

7                   So we thought that this was an opportunity  
8 to suggest that if supportive or ancillary services and  
9 the ancillary services of VR language, we've talked with  
10 the VR staff over at DARS to try to get some of their  
11 thoughts on this, and they suggested adding supportive  
12 or ancillary services.

13                   But we thought that if that's provided  
14 prior to the achievement of unsubsidized employment that  
15 could be considered qualifying services, and then after  
16 the entry into unsubsidized employment at that point  
17 they kind of -- they would not prevent Exit and we could  
18 go ahead and begin their measurement period for whether  
19 or not they're employed in the second and fourth  
20 quarters and such, the outcome measures.

21                   Another area within this section that we  
22 were a little concerned about was, there was language in  
23 the rule that suggested that if you are a VR participant  
24 who's been placed into subsidized -- sorry -- into  
25 employment at less than minimal wage conditions that

1 those people, even though the file is closed and they're  
2 no longer service receiving services and there's no plan  
3 to receive additional services, that they somehow would  
4 not be considered an exiter and, therefore, would be in  
5 this limbo state, if you will.

6                   So what were pointing out is that, well,  
7 they certainly have exited. Whether or not they exited  
8 with the type of outcome we would like to achieve is a  
9 secondary question.

10                   So what they need to be doing is  
11 introducing a concept that does exist under the existing  
12 common -- under our common measures today which is the  
13 idea of an exclusion which typically applies to people  
14 who have died or have been incarcerated or hospitalized  
15 in the performance measurement period as a way to say  
16 that this is something that was well outside of the  
17 program's control and it does likely result and prevent  
18 the person from achieving a positive outcome.

19                   They happen in a very small percentage of  
20 cases. So on this one we said, first off, there needs  
21 to be this idea of the exclusion, but, second off, we  
22 think that we need to be very careful. And I'd be kind  
23 of very interested in your thoughts on this.

24                   On the one hand, if there is an exclusion  
25 for putting a person in less than minimum wage jobs,

1 does that create kind of an incentive to put them in  
2 those jobs because there wouldn't be any accountability  
3 because they've been pulled out of the performance  
4 denominator?

5                   That's something that I think needs to be  
6 looked at very carefully as a potential perverse  
7 incentive. Obviously, not a VR expert and I know that  
8 you-all are learning about it as well over the last  
9 several months, but it's something I think that they  
10 need to think about as they do this, because right now  
11 the way it's built it might be a perverse incentive.

12                   CHAIRMAN ALCANTAR: You know, as I'm  
13 looking at this, Adam, you know, offering up a new  
14 definition is something that I'm grappling with here.

15                   What's the advantage of adding this  
16 qualifying services-type of definition? I know that  
17 you're doing it to address the inconsistencies that  
18 you've identified.

19                   What other advantages does it provide us?

20                   MR. LEONARD: Well, they are going to  
21 define them by regulations, whether they do it in this  
22 format or not. So by putting it into the rule it was  
23 our opportunity to provide direct input for what that  
24 should be; whereas, in the regulation or -- I'm sorry --  
25 the guidance process there isn't really that opportunity

1 to comment and help provide language.

2                   It also served a little bit as a shortcut,  
3 if you will, to simplify certain other language in the  
4 rule by saying, "And upon -- you know, no longer  
5 receiving qualifying services."

6                   CHAIRMAN ALCANTAR: Okay. All right.  
7 Let's go to the next one.

8                   MR. LEONARD: All right. The last section  
9 in here has to do with -- well, it has to do with Exit.  
10 There are a number of issues with Exit today; in  
11 particular, the fact is now a person doesn't Exit until  
12 they go 90 days without receiving a qualifying service  
13 and there's no specific plan for them to return at a  
14 later date.

15                   That last bit has to do with, like, a  
16 person who's been -- has been determined we're going to  
17 put them in training but the training class doesn't  
18 begin for four months. So they wouldn't Exit because  
19 there's a plan to return when that training begins.

20                   But for the most part, we're talking about  
21 this 90 days without receiving service, and in many  
22 states -- some degree in Texas -- but in many states  
23 they are huge issues with people just basically never  
24 existing because they log in regularly to the system and  
25 do job search, because one of the great lessons of the

1 great recession was always be available, always know  
2 what your opportunities are, because even though you may  
3 think you have a job that's secure you never know when  
4 you might actually lose it.

5                   So if you're aware of what's going on out  
6 there, you have your posting -- or your resume ready and  
7 things like that and you're in a better position.

8                   So, again, we tend to think that at this  
9 point the person has gotten their new job. They're just  
10 logging in every few months. They essentially have gone  
11 from being a committed job seeker to being curious.

12                   At this point we don't think that person  
13 should continue to be a participant. We think they  
14 should Exit, and their proposal is to move the Exit from  
15 90 days to 30 days.

16                   If a person is using the system every 30  
17 days, chances are they're still committed to using the  
18 system for real to try to help them with their  
19 employment or career goals. If they were looking every  
20 three months, probably less so.

21                   One last little thing on that that we  
22 threw in was an idea we picked up from the VR world that  
23 sounded really interesting.

24                   We thought that it could be very helpful  
25 for at-risk customers, and that is that in the VR world

1 when they place a person in unsubsidized employment they  
2 basically track them for 90 days to try to see whether  
3 that employment sticks.

4                   If it does -- if it doesn't stick, if it  
5 turns out that it didn't work out and they get them back  
6 in and start serving them again, they essentially reopen  
7 the file, and it's like they never exited. So it's this  
8 revocable Exit idea.

9                   I thought that that was a really  
10 interesting idea that we could use with certain types of  
11 customers ourselves, but why make it only for VR? Why  
12 not have that option in here for everybody where  
13 appropriate?

14                   CHAIRMAN ALCANTAR: How does that  
15 correspond to current performance requirements?

16                   MR. LEONARD: It doesn't exist at all. It  
17 would be an entirely new concept in there. So what it  
18 would mean is that for some people -- theoretically what  
19 it would mean is that for some people who Exit with a  
20 job but who don't keep that job that --

21                   CHAIRMAN ALCANTAR: So for a Board who  
22 currently reports a job placement, what would that mean?  
23 What would that do to their performance?

24                   MR. LEONARD: What it would do for them is  
25 that in -- on the federal measures it would basically

1 increase the likelihood of it showing up as a positive  
2 outcome instead of one Exit with a negative and then  
3 them come back and get served and now we track them a  
4 second time.

5 We connect the two periods as if it was  
6 one unbroken period, and so they're in the denominator  
7 once and potentially in the numerator once.

8 CHAIRMAN ALCANTAR: Do they not get credit  
9 for that initial placement if it lasted 30 or 60 days  
10 or --

11 MR. LEONARD: Under the federal measure  
12 they don't get the credit if they're not employed in the  
13 second quarter after Exit, period, without regard to  
14 anything.

15 CHAIRMAN ALCANTAR: So it doesn't have an  
16 impact -- it does not have an impact on performance to  
17 switch --

18 MR. LEONARD: I don't think that it would.  
19 You know, we've been very interested in this idea of the  
20 employment connection trying to develop measures we can  
21 use in Texas that are more focused on each placement so  
22 that it's not -- it doesn't matter when the person  
23 exits.

24 What matters is, did we get them a job,  
25 and if that occurs and they're still looking for a

1 second longer term job, that's okay. So I think we  
2 could make that work for the local Boards.

3 CHAIRMAN ALCANTAR: All right. I want to  
4 make sure that we coordinate with the Boards on  
5 something like this to make sure they're on the same  
6 page with us.

7 You know, it is a shared objective here to  
8 get people into jobs, and we can always layer our state  
9 level requirements and not be tied to this federal  
10 standard if it proves to be something that doesn't align  
11 with what we think we need to focus on.

12 MR. LEONARD: Sure. I think the thing  
13 where we would run into difficulty is if we were trying  
14 to develop one definition of Exit in Texas and the feds  
15 were using another.

16 At that point, we would be a little bit --

17 CHAIRMAN ALCANTAR: I agree. I agree.

18 MR. LEONARD: Okay. But, yeah, we  
19 definitely -- we were hoping to after this and having  
20 gotten your input at this meeting we'd be able to start  
21 talking to the Boards about some of these ideas and  
22 concerns to start getting their input, as well as from  
23 other states.

24 We know other states are very interested  
25 in learning about some of these ideas.

1                   CHAIRMAN ALCANTAR: And I believe some of  
2 the Boards are hopefully listening in and will be ready  
3 to offer their thoughts.

4                   All right. Let's go to 677.155.

5                   MR. LEONARD: Yes. This section defines  
6 or really in many instances references the six  
7 performance indicators that are built into the statute.

8                   There's not a lot of detail in them. For  
9 the first two that is -- or for the measure of  
10 employment in the second quarter after Exit and the  
11 fourth quarter after Exit, they were proposing -- or  
12 they wanted to get input on collecting additional data.

13                   They were suggesting, well, there might be  
14 value in having an entered employment version of the  
15 measure for second quarter after Exit, meaning that it  
16 would only include those people who are unemployed at  
17 participation; whereas, the statutory measure says that  
18 it's everybody.

19                   For the fourth quarter after Exit measure,  
20 they were interested in thoughts about whether or not a  
21 person should be -- whether we should have a retention  
22 version of the measure.

23                   So it's what percent of people who get  
24 jobs would keep -- would -- were able to retain  
25 employment. Some of our thoughts on this really came

1 down to, as long as they're not creating new targets,  
2 new levels of accountability and they can calculate it  
3 themselves with the data that we already give them,  
4 there's no harm in looking at additional management  
5 measures.

6                   We certainly do that ourselves down here.  
7 Our biggest concerns were if it was going to create  
8 additional accountability instances or if it was going  
9 to require us to do additional work, which is  
10 potentially a problem, as I'll talk about a little later  
11 when it comes to the Adult Ed program.

12                   Overall in here in this section, the other  
13 thing is that the measures are driven by programs. So  
14 what they're envisioning is that every program would  
15 have each of the measures listed with the exception of  
16 Wagner-Peyser which doesn't have training-related  
17 measures.

18                   But when we look at this, there are some  
19 kind of differences from state to state in their  
20 enrollment strategies, and we're not suggesting there's  
21 anything wrong with these differences.

22                   We have what we call the "traditional  
23 states" like Texas where what is Title I is -- and was  
24 WI is essentially a program with limited enrollment  
25 where people are selected to be part of it, and a high

1 percentage of those people tend to get training, and  
2 then you have what we call the "universal co-enrollment"  
3 states like New York and Louisiana who co-enroll  
4 everybody from Wagner-Peyser into their Adult and  
5 Dislocated Worker programs.

6                   So what that means is that the data looks  
7 very, very different from state to state. So they could  
8 kind of resolve this if they, instead of focusing on it,  
9 Wagner-Peyser Adult Dislocated Worker separate measures,  
10 if we just combined it and said, "Those who receive --  
11 who don't receive training services and those who do  
12 receive training services."

13                   That would be a simpler way. It would  
14 promote integration and it would promote comparability  
15 across the states, because ultimately you would tend to  
16 hope that people who get training are receiving similar  
17 results no matter what state they are in, depending, of  
18 course, on who they're serving or the local economic  
19 conditions.

20                   So there's some language in here where  
21 we're talking about that recommendation that they might  
22 want to consider that as an alternative.

23                   It would certainly simplify some of the  
24 statistical modeling and other things to come.

25                   CHAIRMAN ALCANTAR: Are you still on

1 (a) (1), Adam, or have you moved on?

2 MR. LEONARD: I'm sorry. I was on just  
3 the overview part there. I had kind of skipped to  
4 (a) (1) accidentally when I was talking about the two  
5 measures, second and fourth quarter. So I just slid  
6 back to cover what I missed.

7 CHAIRMAN ALCANTAR: Let's talk about  
8 credentials and measurable skills gains.

9 MR. LEONARD: Absolutely. So the  
10 credential measure -- first off, it needs to be  
11 clarified to say that only those people who are in  
12 training should be in the measure.

13 Ideally, those people in training that's  
14 designed to resolve their recognized credential or  
15 specific employment because, of course, not everybody  
16 gets training.

17 If states are to have the flexibility --  
18 if states like New York are to have the flexibility to  
19 be able to co-enroll customers without requiring them to  
20 be in training, that clarification is necessary;  
21 otherwise, their performance rate is going to be, like,  
22 2 percent, because it's going to be dwarfed by the vast  
23 number of people who are in there but not receiving  
24 training.

25 We're also concerned that the way that it

1 was written -- and I don't know that this was the  
2 intent, but the way that the language was written, it  
3 said that if you get a post -- if you get a degree -- a  
4 diploma or equivalent and you're not in post-secondary  
5 education or employment by the second quarter after Exit  
6 that customer would not be in the measure.

7                   Now, typically, "not in the measure" means  
8 not in the denominator and not in the numerator. They  
9 are completely excluded. I'm hoping the intent is that  
10 it means that it would not be in the numerator, because  
11 the statute specifically says that a GED or diploma by  
12 itself is not enough. It has to come -- it only counts  
13 if it also comes with enrollment and post-secondary  
14 education or in -- or employment.

15                   So we wanted to clarify that here, that we  
16 really think that that's an important -- not trigger --  
17 it's an important clue to what Congress was thinking and  
18 what their intent was in terms of the Adult ED programs  
19 and achievement of those types of credentials, that  
20 they're an important stepping stone, but the value is in  
21 their leading to something else.

22                   So if you remove them completely you  
23 really kind of undercut that intention within the  
24 statute. Another area we had concern with -- and this,  
25 again, gets back to something we've seen in Adult Ed is

1 things like Accelerate Texas where you have joint -- a  
2 joint program where you're dealing with Adult Education  
3 and Occupational Training at the same time.

4                   The way that the current measures work  
5 that OCTAE has, the Department of Education has, it  
6 doesn't count any enrollment during co-enrollment.

7                   If you're not enrolled in that  
8 post-secondary education after Exit, it's like it didn't  
9 happen, which is silly. So we're pointing out here that  
10 the way the statute reads, it just says, "with any year  
11 of Exit."

12                   Well, if you were enrolled during your  
13 period of participation in both Adult Ed and this that  
14 certainly that should be within -- treated within a year  
15 of Exit.

16                   CHAIRMAN ALCANTAR: I would agree.

17                   MR. LEONARD: So we want to make sure that  
18 there's no perverse incentive there especially since  
19 OCTAE themselves claims that they very much support this  
20 type of a program.

21                   The last thing we through in here for  
22 consideration is something we've kind of had in Texas  
23 already in --

24                   CHAIRMAN ALCANTAR: So what we want them  
25 to do is promote more concurrent learning models and

1 less linear-type of outdated approaches?

2 MR. LEONARD: Yes.

3 CHAIRMAN ALCANTAR: So if you could just  
4 state that clearly, I think that would be productive --

5 MR. LEONARD: I will --

6 CHAIRMAN ALCANTAR: -- to incent  
7 innovation in the way that we do business and not follow  
8 these outdated approaches to stretching a dollar when we  
9 know that from prior experience that that's not possible  
10 if you adhere to these older models. So, anyway,  
11 it's --

12 MR. LEONARD: I will make sure that I  
13 get --

14 CHAIRMAN ALCANTAR: Say that in a more  
15 concise way.

16 MR. LEONARD: I will get that clearer in  
17 here.

18 CHAIRMAN ALCANTAR: Thank you.

19 MR. LEONARD: Thank you. The last thing  
20 in here has to do with -- and this is kind of our welder  
21 story, that we know that the demand for welders is so  
22 great that many of them, once they reach a certain of  
23 level of mastery within the class they get hired and go  
24 on the job without having achieved the actual  
25 credentials or certificate.

1                   So what we're suggesting here is that much  
2 the way we try to do in Texas, that if an adult goes  
3 into -- if they're in training this is intended to  
4 result in achievement -- or employment in a specific  
5 occupation or set of occupations and they leave that  
6 training but actually end up employed in the occupation  
7 or one of those occupations, that it's clearly intended  
8 to lead to, that they should be removed from the  
9 measure, because ultimately the employer is satisfied.  
10 They wouldn't have hired them if they didn't think that  
11 they had the skills. The job seeker should be satisfied  
12 because they got the job that's -- you know, that they  
13 were trying to achieve.

14                   So we're suggesting that we adopt that  
15 type of a concept in here.

16                   CHAIRMAN ALCANTAR: Okay.

17                   MR. LEONARD: For measurable skills gain,  
18 which is 677.155(a)(1)(v), Anson talked a lot about  
19 this. We really spent a lot of time working together on  
20 these; our concerns about the perverse incentive for  
21 rear round -- to not offer year-round enrollment, the  
22 concern about only focusing on the weakest area of  
23 deficiency, the lowest scoring area, if you have  
24 multiples, and we also were talking in here about the  
25 possibility that what if it turns out that the area that



1 sorry.

2 MR. LEONARD: I appreciate it. I mean,  
3 I've only spent 12 years preparing for this moment.

4 (Laughter)

5 CHAIRMAN ALCANTAR: Right. Good. Good.  
6 Keep going. I'm sorry.

7 MR. LEONARD: Okay. So the last piece in  
8 this section is the effectiveness in serving employers.

9 So as you can imagine, we have rather a  
10 lot of experience in Texas in looking at measures for  
11 employers, and we were very gratified to see that they  
12 picked up some of our ideas that we've building this  
13 employer/employment concept in the idea of maintaining  
14 an employment connection to see, you know, a couple of  
15 quarters, "Are they still employed at the same place?"

16 They picked that up, but they didn't quite  
17 get it the way that we would suggest. They wanted to do  
18 it after Exit, and it's like this is an employer-focused  
19 measure. It doesn't have to be based on Exit after the  
20 job seeker.

21 Further, even if it was, what's the reason  
22 to do that? The person got the job. Why not measure to  
23 see whether or not they were able to maintain that job?  
24 We talk all the time about the incredible lag that we  
25 have in performance measures.

1                   Here's an opportunity to have a measure  
2 that has a few months of lag instead of 9, 10, 12, 18  
3 months of lag that we have on some of those exit-based  
4 measures. So we kind of corrected them a little bit on  
5 that suggestion.

6                   Then we looked at some of the other things  
7 they threw out there and basically raised concerns. So  
8 one of their ideas was repeat employer customers. What  
9 percent of the employer customers this year are employer  
10 customers last year?

11                   The concern there is that that creates a  
12 disincentive to serving small employers who may not need  
13 us every single year. I mean, a very small employer  
14 might only hire once every couple of years.

15                   So we helped them this year and they don't  
16 come back next year, it makes us look bad when it has  
17 nothing to do with that. It has everything to do with  
18 the employer's need.

19                   MR. TEMPLE: We actually have some  
20 experience in that, but we tried that in our 10 measures  
21 that matter. So it's not theoretical. We actually had  
22 experience with this and hopefully they'll listen.

23                   MR. LEONARD: Yeah. They had also talked  
24 about measuring, perhaps, the percentage of employers  
25 served. And, again, our experience there is while that

1 can be useful in terms of trying to drive more traffic  
2 in the system, it's not a measure of effectiveness.  
3 That's a completely separate question.

4                   The other thing they were talking about  
5 was a customer satisfaction measure which we really --  
6 we have some experience with what the feds came up with  
7 on customer satisfaction in the past and we were unable  
8 to gather any useful information from it, and it was  
9 very expensive to administer. So...

10                   CHAIRMAN ALCANTAR: They are costly and it  
11 can be burdensome, and the response rates can be very  
12 low.

13                   MR. LEONARD: It's not to say it doesn't  
14 have its place. It's simply a question of whether or  
15 not it should be an accountability measure under the  
16 statute and whether or not we should have flexibility to  
17 develop our own mechanisms if we want to pursue that  
18 sort of thing.

19                   CHAIRMAN ALCANTAR: Right.

20                   MR. LEONARD: So those are probably the  
21 two most important rules in this section or the key  
22 definitions and then the measures, but there are other  
23 things.

24                   So the next piece they talk about has to  
25 do with the -- what has to be included in the state

1 performance reports.

2                   So in this area we're again talking  
3 about -- you know, if we give them the customer level  
4 data which we're supposed to do and we have been doing  
5 in most programs, they're able to run additional  
6 management information if they want to because it's all  
7 on the system.

8                   In fact, if they were to implement  
9 something like the WISPR, which is the system that we in  
10 Texas currently use to report across all of our  
11 DOL-funded Workforce programs, if we were to enhance  
12 that to also work for VR and for Adult Education, it  
13 would greatly simplify on their end the analysis and  
14 would promote consistency across systems.

15                   So I'm calling this a "One-Stop Common  
16 Customer Record" or the "OSCCR" simply because they've  
17 used variations on the word "WIASRD" many many times,  
18 and I don't want to keep using the same term and  
19 confusing everybody. So it's a new start with an OSCCR.

20                   However, our big concern is that the  
21 Department of Education in the Adult Ed program seems to  
22 have no plan whatsoever to capture student level or  
23 customer level data the way the other programs are,  
24 which would mean that we have to for a state like Texas  
25 that we'll have both the Workforce and Adult Ed programs

1 we'll have to have different mechanisms for doing this  
2 reporting. That makes -- that increases our cost. It  
3 makes it harder for us to do analysis and similar  
4 matters.

5 So --

6 CHAIRMAN ALCANTAR: And I think that has  
7 to be one of our overall recommendations is this  
8 integration of data, collection and reporting. So...

9 MR. LEONARD: Yeah. And so there's a lot  
10 of content on that here. And, in fact, that point comes  
11 up in several additional places, because it has  
12 important implications for the development of the  
13 statistical models and such.

14 CHAIRMAN ALCANTAR: All right.

15 MR. LEONARD: One of the things we were  
16 concerned with is that within the elements listed that  
17 have to be reported, there would be a requirement to  
18 break out the costs for each type of career and training  
19 service.

20 We think now that that was not their  
21 intent, but we're still commenting, because the way it's  
22 written it says, "Each type of career and training  
23 service."

24 So we would have to figure out how much we  
25 spent on job search or how much we spent on resume -- I

1 mean, I don't think that's their intent anymore, but we  
2 want to make really sure that that's clarified if it's  
3 not their intent, because there was an attempt years ago  
4 to try to develop a system to track that in Texas and  
5 was found to be just entirely impractical.

6 MS. MILLER: Yeah. And if I could just  
7 weigh in. You know, most of this is staff time. So  
8 you're talking about individual case managers having to  
9 break out parts of their day on these specific  
10 activities, and it was something we discussed with the  
11 Boards and it just really wasn't a feasible concept.

12 The costs going into it would far outweigh  
13 what we think the benefits are.

14 CHAIRMAN ALCANTAR: It's important to  
15 communicate that.

16 MR. LEONARD: The last little item within  
17 that rule that we commented on again had to do with  
18 customers' satisfaction that they were making a  
19 suggestion around that, and so we were concerned about  
20 that, about requiring a customer satisfaction measure  
21 and in particular what it might look like given what  
22 we've seen in the past from them.

23 For the next section, 677.165, "May states  
24 require additional indicators of performance," they  
25 said, "Yes." We don't have a problem with that.

1 Obviously, we do that all the time. In fact, we  
2 probably need to say rather than "No comment" need to  
3 say that we support this.

4 CHAIRMAN ALCANTAR: Okay.

5 MR. LEONARD: The next section, 677.170,  
6 talks about how the adjusted levels of performance for  
7 primary indicators, how those are established.

8 So what this has to do with is the  
9 negotiation process and the development of statistical  
10 models that are supposed to be used to account for  
11 differences in the economic conditions and in the types  
12 of customers being served state to state to make for  
13 greater comparability and performance.

14 So instead of focusing on 70 percent  
15 achieved in one state and 80 percent achieved in the  
16 other, you have the subjective method of setting the  
17 targets that are fair given the differences there  
18 because it could be that achieving 70 percent in a  
19 really cruddy economy with a lot of hard-to-serve people  
20 is better than achieving 80 percent in a state that, you  
21 know, basically you only have to fog a mirror to get a  
22 job.

23 So we really want to focus on that. This  
24 is a critical element of the law. That said, it's  
25 absolutely critical that states have the ability to

1 provide additional information beyond what's in the  
2 model in order to negotiate targets, and the reason for  
3 that is that because not everything is the same.

4                   When you're developing these statistical  
5 models you're basically talking about the average impact  
6 a factor has or a characteristic has, and it's not the  
7 same.

8                   English is a second language in El Paso  
9 and is not nearly the same or doesn't have nearly the  
10 same impact on your ability to get a job as it does in  
11 Detroit.

12                   Detroit is the lowest Spanish-speaking  
13 metropolis in the United -- or metro area in the United  
14 States. El Paso has a rather significant -- or San  
15 Antonio or many parts of the state. So there are  
16 differences there.

17                   Every state has its own key industry  
18 drivers. So things that are important to a model that  
19 would show that generally nationally on average it has a  
20 positive impact if this industry pushes. In another  
21 area it might have very little impact.

22                   The other thing is that variables change  
23 over time, and if these models are not being updated --  
24 we are recommending that they be updated regularly, but  
25 if something shifts, if there's a significant change in

1 an industry and how it impacts the economy, these  
2 national models might not catch up in time. So we need  
3 that ability to pick that up.

4 I mean, if you think about the Dakotas,  
5 it's not that long ago that the oil and gas industry was  
6 not that big a driver for those states, but, boy, is it  
7 a driver today.

8 So if the model hadn't been updated in  
9 that period it wouldn't be able to account for it. But  
10 they could absolutely do it themselves.

11 MR. TEMPLE: Adam, would you talk about,  
12 you know, the stated intent of WIOA is to refocus on the  
13 hardest to serve and then states who put in their plan  
14 the hardest-to-serve-type targets how this will be taken  
15 into consideration in the determination of the measures?

16 MR. LEONARD: Absolutely. So that's the  
17 idea behind the statistical model, is that you're able  
18 objectively account for the difficulty, if you will,  
19 that some people have in finding employment with the  
20 different types of barriers that they have.

21 So in the past there has been, perhaps, a  
22 reward to, or at least on the ground, people thought  
23 that if they just don't serve certain types of people  
24 their performance will be higher.

25 And, yeah, the percentage would be higher,

1 but the problem was is that it wasn't setting the  
2 expectation. So what this is designed to do is to say,  
3 "If you're really serving harder-to-serve people, a  
4 lower target might be appropriate in your case."

5 So it removes any disincentives you have  
6 to serving the hardest to serve.

7 CHAIRMAN ALCANTAR: Let me ask you this,  
8 Adam: From the perspective of -- of the local Board  
9 employee from the model itself, does it require greater  
10 data collection in terms of what you're proposing here?

11 Would the information to be collected be  
12 any greater than what it currently is?

13 MR. LEONARD: We don't know what they're  
14 going to ask for, because there's going to be separate  
15 guidance that's going to come out that's going to be the  
16 data collection.

17 Our belief is that it's not going to be  
18 significantly different other than where the statute  
19 says it has to be. The reason I'm saying that is  
20 because they're going to want to -- most of them are  
21 going to want to try to implement these models quickly,  
22 and that means using the data they already have that  
23 we've been giving them in WIA.

24 CHAIRMAN ALCANTAR: I think one of the  
25 important points to make is that this model really needs

1 to account for the impact that burdensome data  
2 collection requirements can have on service delivery. I  
3 mean, we've dealt with that in terms of the changes  
4 we've been making and, you know, the focus on outcomes  
5 and the strategies themselves, and really have that be a  
6 consideration in term of what kind of model we build and  
7 the manner in which that is used to measure whatever it  
8 we're trying to capture here.

9                   The measurements themselves or the metrics  
10 really should matter. So if you could make sure to  
11 communicate this, whether it's relative to the  
12 statistical model or some of the other data elements --

13                   MR. LEONARD: I'll figure that out.

14                   CHAIRMAN ALCANTAR: -- I think we need to  
15 be very clear that while it's important to have data  
16 that supports our collective objectives and goals, they  
17 need to be constructed in a way that doesn't create an  
18 undue burden on the individuals delivering services,  
19 detracting from service provision at the expense of  
20 collecting and documenting information that may not be  
21 used.

22                   We want to make sure that we do all that  
23 we can to avoid that, because we know that that's very  
24 costly.

25                   MR. LEONARD: Absolutely.

1                   CHAIRMAN ALCANTAR: I don't know if you do  
2 that here or if you do it in other areas, but if you  
3 could work on that and --

4                   MR. LEONARD: I'll look for opportunities  
5 to make that part of the message.

6                   CHAIRMAN ALCANTAR: Thank you.

7                   MR. LEONARD: Sure. So there's discussion  
8 in -- within this section beyond the statistical --  
9 beyond the statistical model. It also talks about  
10 continuous improvement and optimum return on investment  
11 of federal funds.

12                   One of our concerns is that historically  
13 agencies have tended to assume that continuous  
14 improvement means higher on everything every year no  
15 matter how high you already are or nearly that.

16                   If you're thinking about the context of  
17 optimal return on an investment, you know, with  
18 diminishing returns, the cost to get one -- to squeeze  
19 one additional percentage point of improvement out on  
20 one measure when you're strong may be as much as, you  
21 know, what it would take to get three or four points of  
22 improvement in an area where we're weaker.

23                   So we really are trying to, in this, point  
24 that out and saying, you know, "It makes sense to try to  
25 concentrate our performance improvements in the areas

1 where there's the most room for gain and not just  
2 broadly across the board simply because that's not  
3 really going to get us the optimal return of an  
4 investment on federal funds."

5                   Go into a lot of discussion around the  
6 statistical models and things like the unemployment rate  
7 and why it is in and of itself not strong enough a  
8 factor. I also raise a little bit of concern that the  
9 rules says that the statistical model has to include  
10 certain elements, and we really think what it needs to  
11 say is that the development of the model needs to  
12 evaluate certain elements, but the way a statistical  
13 model works is, if it's not statistically significant it  
14 doesn't belong in there.

15                   So they shouldn't prejudge what's in  
16 there. There's nothing wrong with saying that they have  
17 to at least try to account for these conditions if they  
18 prove to be significant.

19                   Perhaps the area of greatest concern here  
20 is -- there's language that says that the models will  
21 not be applied until the data necessary to populate them  
22 is generated, which on the surface sounds good.

23                   We certainly -- you know, you can't build  
24 the model without the data and you can't run the model  
25 without the data. But if you don't have a plan to get

1 the data, then you've kind of built yourself in a, you  
2 know, get out of jail free card on this thing.

3                   So with OCTAE not planning on getting the  
4 data -- they're not planning on requiring student level  
5 or customer level records -- I don't think that they are  
6 going to have the information necessary to develop a  
7 strong model.

8                   I believe that the intent is to kind of --  
9 is to try to develop a model that works for all these  
10 programs. You can't just take the WIA Adult data and  
11 assume that the results for people who are in the Adult  
12 Ed program would be the same. They're not necessarily  
13 the same customers.

14                   They don't necessarily have the same mix  
15 of conditions. So I think it's really important here to  
16 raise that point, and then at the end on the very rule  
17 that talks about gathering or submitting this data that  
18 they need to get this data in the same format to be  
19 consistent and to have the data necessary to do this  
20 work.

21                   Moving to the next rule, 677.175, what  
22 responsibilities states have to use quarterly wage data  
23 for performance accountability, in there they defined  
24 elements that were -- that made up a wage record, and we  
25 just wanted to suggest adding employer industry

1 information that the FEI or the (inaudible) information  
2 that comes on those wage records should also be  
3 considered employer wage record information.

4                   We also wanted to say that this section  
5 should not -- should include some language that  
6 specifies that UI wage records are not the only means of  
7 reporting outcomes. There are other supplemental  
8 records of employment such as national new-hire data or  
9 state new-hire data or federal employment data that  
10 should also be considered here.

11                   This wasn't exclusive, but it's just,  
12 here's an opportunity to make very clear that you can  
13 use this other information, that you shouldn't read it  
14 as exclusive.

15                   The last thing is something a little  
16 unique that we've come up with. When we get wage data  
17 from other states, the way that the -- the way that the  
18 agreement reads right now, you're not allowed to tell  
19 the local Board whether or not you have found them, the  
20 person employed.

21                   We can't say, "Who's in your numerator" in  
22 some instances if the only evidence we have of you being  
23 in the numerator is data we got from Arkansas or Alabama  
24 or wherever.

25                   So what we're proposing to say here is to

1 say that simply identifying whether or not a person is  
2 employed without specifying where or the amount or the  
3 employer or the industry or any of that information  
4 without providing any of the details that's on the wage  
5 record should not be considered disclosure of a wage  
6 record.

7                   We should be able to identify whether or  
8 not a person is employed or not to the local Board.  
9 It's critical for transparency. It's critical for  
10 efficiency so that Boards aren't out there looking to  
11 try to find people to see whether or not they're  
12 employed or not so that they can quote get credit in  
13 their performance measures.

14                   So this is something that would be fairly  
15 new that we're proposing.

16                   MR. TEMPLE: Adam, there's still no  
17 allowance to use national new hire in your performance.  
18 Right? We're still restricted just to state new hire,  
19 or do they open --

20                   MR. LEONARD: They do not talk about  
21 national new hire at all in this. Our allowance to use  
22 national new hire data is basically limited to TANF and  
23 UI Claim Administration.

24                   So we use it there to monitor return to  
25 work of claimants to some degree, but claimants don't

1 make up -- I mean, sometimes they're the majority of our  
2 customers, but most of the time they're not. So it's  
3 really a missing opportunity.

4 CHAIRMAN ALCANTAR: Adam, there's nothing  
5 in here relative to reporting by occupation or industry  
6 that is not already being collected from employers, or  
7 is there anything --

8 MR. LEONARD: The occupation information  
9 on is not listed. Occupation is not part of the record,  
10 and it's not listed within here as a required element.  
11 We're proposing that we define "wage record" to include  
12 industry because industry information is reported now.  
13 So it's really just trying to cover that.

14 MR. TEMPLE: Adam, that's the technical  
15 amendment that I sent you that got out of committee. So  
16 it would be interesting to see --

17 CHAIRMAN ALCANTAR: But that's separate  
18 and apart from here.

19 MR. TEMPLE: It's separate and apart for  
20 this but it's a technical amendment to WIOA.

21 CHAIRMAN ALCANTAR: Okay. All right.  
22 Let's go on to Subpart B.

23 MR. LEONARD: All right. The sanction  
24 section here -- basically, one of the first things it  
25 says in 677.190, what state actions are subject to

1 financial sanction under state Workforce -- or under  
2 WIOA.

3                   One of the elements they are basically  
4 saying is that your failure to report is subject to a  
5 potential 5 percent sanction on the Governor's reserve.

6                   I should point out that the way that  
7 they've interpreted the statute is that the 5 percent  
8 reduction is not 5 percentage points.

9                   It's 5 percent. So if you have \$100,000  
10 Governor's reserve and we were to lose 5 percent for  
11 some reason -- one of these reasons, basically -- it  
12 would be \$5,000, not 5 percentage points of the 15  
13 percentage points max that the state has. So that was,  
14 I think, a welcome finding in the regulations.

15                   That said, there is -- you will see here  
16 in a minute that if you fail to report you can lose it,  
17 and certainly you shouldn't be able to avoid liability  
18 for achieving performance by just not proving -- not  
19 giving someone the data that shows that you failed. We  
20 don't have a problem with that per se.

21                   But the way that it works is that if you  
22 were to fail two different areas you would be subject to  
23 a maximum of a 5 percent fine. But if you were to fail  
24 one area and fail to report you would be subject to  
25 10 percent.

1                   That just seemed kind of a little odd.

2                   MR. TEMPLE: Adam, point out, too, that  
3 this would be failure of all -- in any areas.

4                   Correct?

5                   MR. LEONARD: Yes. This would be any of  
6 the six programs even though the Governor's reserve is  
7 made up of Title I dollars.

8                   MR. TEMPLE: But for states that just have  
9 the Department of Labor funding, they would take the hit  
10 for --

11                   CHAIRMAN ALCANTAR: Programs not under --

12                   MR. TEMPLE: -- programs not under their  
13 purview.

14                   MR. LEONARD: And they're very upset by  
15 that. There's been a lot of -- we've been talking to  
16 other states in the Region 4 and that has been a very  
17 hot topic on calls where we've been talking about  
18 different elements of the NPRM. So...

19                   MR. TEMPLE: We hope that we are our own  
20 best friend when it comes to this.

21                   CHAIRMAN ALCANTAR: Yes. We can deliver.  
22 Our Boards get the job done.

23                   MR. LEONARD: So moving along into the  
24 section, "When are sanctions applied for failure to  
25 achieve adjusted levels of performance," one of the

1 things that the law provides for is that at the end of  
2 the year all the targets are automatically adjusted,  
3 that there's a reset, if you will.

4                   The concern that we had was, if you  
5 applied the model and then -- up front -- and we were  
6 able to provide additional information that shows that  
7 we need to adjust what the model says because there are  
8 these additional factors that the model doesn't account  
9 for that are statistically valid for Texas, that also  
10 should be occurring on the back end.

11                   It doesn't make sense to only do it on the  
12 front end. There's no accountability attached to the  
13 front end. The accountability is to whatever your final  
14 target is. So we've recommended amending 677.190 in  
15 order to specifically reference that.

16                   The other thing in this section, and to  
17 their credit, the departments specifically indicated  
18 here that they were very interested in feedback on this  
19 issue, is, when does second year failure occur, how do  
20 you get to that place where you would potentially be --  
21 where you would lose your 5 percent of the Governor's  
22 reserve?

23                   The reason why this is very important is  
24 that for most of the measures there is a significant  
25 amount of lag between when you first find out a cohort,

1 a quarter of exiters is having a performance issue and  
2 when it actually occurred.

3                   So what that means is, is that if it turns  
4 out that there was a systemic problem that we didn't  
5 know about and we just caught it, by the time we get  
6 that first information to show that it's happening,  
7 another five quarters of people have already exited in  
8 one of the measures -- in the second quarter measures --  
9 and another seven quarters of people have exited for the  
10 fourth quarter measures, and that pretty much means that  
11 by the time you've figured out that you've got a problem  
12 that needs to be fixed and, thus, failed the first year,  
13 you've also failed the second year.

14                   If you look at the statute it clearly  
15 looks -- it clearly provides for a series of escalating  
16 consequences. Stage 1 is technical assistance and a  
17 performance improvement plan. Stage 2 is the 5 percent  
18 reduction.

19                   So it seems that if -- in order for the  
20 statute to be effective -- in order for that initial  
21 opportunity to be effective, the second year failure  
22 should not be applied until after the performance  
23 improvement plan has been put in place and been shown to  
24 not be successful, and so we've got a recommendation  
25 around that and some specific language that we've put in

1 here for their consideration.

2 CHAIRMAN ALCANTAR: Okay.

3 MR. LEONARD: The next rule, 677.195, when  
4 should states expect a sanction to be applied -- or what  
5 should they expect when the sanction is applied to the  
6 Governor's reserve?

7 This is where we got into some of the  
8 conversation around the stacked penalties, that if you  
9 fail in two different ways it's -- you're still capped  
10 at a 5 percent, but if you fail to report and you fail  
11 another one -- another area that that's worth 10 percent  
12 which seemed a little strange.

13 We were also suggesting that given that if  
14 your failure to report you turn around and you do report  
15 as we would hope you would, that at that point it's been  
16 corrected and, perhaps, the 5 percent money could be  
17 returned, because ultimately that was the consequence  
18 for failing to report, but once you do actually report,  
19 assuming it's complete and it passes data edit quality  
20 checks -- that sort of thing -- why not go ahead and  
21 return that money. It's achieved what it was intended  
22 to do.

23 The other thing had to do with -- in the  
24 areas where the money might be removed for  
25 nonperformance. Instead of taking the money completely

1 out of the state, perhaps it should be reserved for use  
2 to provide technical assistance so that way the money  
3 that's lost for some of these innovative and exciting  
4 opportunities that we try to create in Texas with that  
5 money, at least that money is being focused back on core  
6 business and helping to ensure that that's -- that  
7 performance is corrected.

8 MR. TEMPLE: That's been the experience of  
9 states with the TANF sanctions for not meeting  
10 participation rates and USDA on error rates on the food  
11 stamps, but there will be a penalty but they say, "Okay,  
12 but you reinvest that much money into your performance  
13 improvement plan."

14 Adam, what about the provision, if a  
15 contractor is associated with poor performance?

16 MR. LEONARD: That's going to be under  
17 the -- on the second -- or actually third year failure  
18 for locals, that the way it's written is that if a local  
19 Board fails performance for three consecutive years that  
20 you go to the Governor's Reorganization Plan and as part  
21 of that plan they're not allowed to use eligible  
22 providers and One-Stop partners who have been identified  
23 as having poor performance.

24 CHAIRMAN ALCANTAR: During that two-year  
25 period.

1                   MR. LEONARD: It doesn't say that  
2 period -- over what period of time. That's kind of an  
3 area that I think is worth clarifying.

4                   The other thing is, is the term "One-Stop  
5 Partner" is a little confusing to me. We can -- well,  
6 I'll cover it now. But in a moment when I was going to  
7 get to this is that One-Stop Partner -- throughout the  
8 rest of the statute "partner" seems to refer to partner  
9 programs like TANF and SNAP.

10                   So I don't really understand. In the  
11 context of this it's like, well, they're One-Stop  
12 Partners. We have to use them. So what does that mean?  
13 Maybe they meant the contractors who are providing the  
14 service. I mean, I think that might be, but it's not  
15 clear.

16                   CHAIRMAN ALCANTAR: Okay. And where is  
17 that?

18                   MR. LEONARD: That is in -- it was a short  
19 section.

20                   CHAIRMAN ALCANTAR: Are you going to get  
21 to it in a little while?

22                   MR. LEONARD: Yeah, I'll get to it in a  
23 minute.

24                   CHAIRMAN ALCANTAR: All right. Let's keep  
25 going then. Sorry.

1                   MR. LEONARD: Yeah. I was trying to  
2 answer Larry's question. Okay. At the bottom, 677,200,  
3 what other administrative actions are applied to the  
4 state's performance requirements, I originally had no  
5 comments, but on a call this morning with Region 4  
6 states, I kind of decided that -- I saw something I  
7 thought we should mention, which is, this is basically  
8 just saying that just because you're not failing doesn't  
9 mean that there might not be at-risk of failure and the  
10 department has basically kind of reserved the right to  
11 continue to try to work with folks who might be  
12 slipping.

13                   That's not the concern. The concern that  
14 bothered me was that it said that the Department of  
15 Labor or the Department of Education will provide  
16 guidance. They made it basically sound like, again,  
17 they're going to work separately to do their own  
18 guidance on this thing, and if this is performance  
19 accountability, it seems like they should be working  
20 together because that was the original vision. So I  
21 think our comment there is in order.

22                   CHAIRMAN ALCANTAR: Will be sure that they  
23 should work together on those --

24                   MR. LEONARD: Yeah, short.

25                   CHAIRMAN ALCANTAR: All right.

1                   MR. LEONARD: Okay. What performance  
2 indicators apply to local areas? The biggest issue here  
3 is just that the actual rule under 205 here is -- also  
4 includes what information is included in the local  
5 performance report.

6                   So they should retitle the rule to say,  
7 "What are the -- what performance indicators apply to  
8 local areas and what information is required to be  
9 included in the local performance report?"

10                   There's also an area where we thought a  
11 little bit of clarification was in order, because when  
12 you read the language it's not clear whether they're  
13 talking about specific measures or if they're referring  
14 back to other elements of the state plan.

15                   They're basically kind of pointing back to  
16 what's in the state plan. Either way is fine. It's  
17 just, "What do you really mean here? Please clarify  
18 that."

19                   Then the last thing is, is that -- that's  
20 missing from this section but that is included in the  
21 state section is that the disaggregation of data for the  
22 local performance report should be done in compliance  
23 with WIOA Section 116(d)(6)(C) which basically says that  
24 if the cell size is smaller than "X" you can't produce a  
25 result because there's a confidentiality potential

1 there.

2                   It's more important for the Boards than it  
3 is of the states, because the likelihood of getting to  
4 such a small group at the state level is pretty small,  
5 but for a Board the size of Texoma or Concho or whatnot,  
6 you could very easily get into a subset that's two or  
7 three people.

8                   So we think that's important to add.

9                   CHAIRMAN ALCANTAR: I agree.

10                  MR. LEONARD: The local levels of  
11 performance, now we're on the parallel to what we were  
12 talking about earlier with the state levels of  
13 performance, the locals.

14                  We're, again, thinking that it's critical  
15 that they have the opportunity to provide factors that  
16 may not be included in the national model for all the  
17 same reasons.

18                  So really the comments in here are very  
19 similar to the comments we made in the other section.  
20 Other than at the end, it doesn't really talk about the  
21 renegotiation process. It just, again, says that the  
22 targets will automatically be changed.

23                  By the way, that means up or down.  
24 Historically, renegotiation has typically been a  
25 requested process in Texas, and it typically only --

1 they only ask to go down in their targets and not up.

2                   This is going to be outside their control.  
3 The model is going to be applied, and at that point  
4 we'll assumedly need to develop something where they can  
5 look at that information and try to argue why it's not  
6 reasonable in their situation for consideration, but I  
7 would expect that targets will be going up as well as  
8 down in some instances.

9                   CHAIRMAN ALCANTAR: Okay.

10                   MR. LEONARD: Subsection D, incentives and  
11 sanctions for local, this is the area that we were  
12 talking about.

13                   It's in this section that we were talking  
14 about the thing about the multiyear failure and the idea  
15 about the One-Stop Partner language that we -- it was in  
16 of 677.220.

17                   CHAIRMAN ALCANTAR: Right. So getting  
18 back to that, do you see a need to try to clarify any of  
19 that -- any of your concerns there?

20                   MR. LEONARD: Yeah. I don't know what the  
21 answer is per se, but it's just, "We don't know what the  
22 heck this means. So please clarify it."

23                   CHAIRMAN ALCANTAR: Well, I think what the  
24 answer is what we think it should be.

25                   MR. LEONARD: All righty, then.

1 Contractors.

2 MR. TEMPLE: You can't say you're not  
3 going to use the Department of Human Services as a  
4 partner anymore or whoever your local partner is, your  
5 local chamber, unless they're a contractor, of course.

6 MR. LEONARD: But we do support the  
7 flexibility that it gives the Governor in defining what  
8 failures at the local level.

9 The regulations define failure for the  
10 state but for the locals we'll have flexibility in terms  
11 of defining, like, what presents a target and all that  
12 good stuff.

13 So moving into the home stretch now,  
14 677.235 in Subsection F, this is performance reporting  
15 administrative requirement. So this is where they  
16 specifically are talking about what are the reporting  
17 requirements for individual records for core, WIOA,  
18 Title I, III and IV programs. Notice that Title II is  
19 missing.

20 So we're proposing here that they should  
21 include Title II, that it should be retitled Titles I  
22 through IV or something to that effect, going back into  
23 all of the reasons that we've been raising in other  
24 areas about the importance of them getting this data and  
25 the consistency across the states.



1 the same thing, is, we're not going to impose this on --  
2 our will on everybody. Let's have one file format. If  
3 you have to do one for VR, one for Adult Ed and one for  
4 Workforce, fine. If you want to do any two of the  
5 three, fine, and if you can do all three, even better.

6                   So that's basically everything that we've  
7 got in here, except at the end there was a section on  
8 data validation and we just want to add a comment there  
9 to say that whatever data validation they come up with,  
10 they need to include in it some kind of grandfathering  
11 provision so that customers who started receiving  
12 services before, whatever the data element changes are  
13 that have changed that we don't have to go back and try  
14 to find all that data on these older customers, because  
15 you remember we're going to be reporting people and  
16 performance for the first several years in the program  
17 are going to be people who exited even, you know, before  
18 these regulations were even proposed.

19                   So that's this material.

20                   CHAIRMAN ALCANTAR: Commissioner, any  
21 questions or comments?

22                   COMM. ANDRADE: (Mic off) No. Thank  
23 you-all.

24                   CHAIRMAN ALCANTAR: Well, Adam, a fabulous  
25 job of outlaying -- laying out all of these issues.

1 Anson, Debbie, I really appreciate the very thoughtful  
2 overview that you provided.

3 Larry, Reagan, Laurie and the rest of the  
4 team, thank you for all the hard work in getting us  
5 through this session. We'll be having another one next  
6 week. I think this works.

7 I think we covered the issues in a very  
8 thoughtful way, and I really appreciate all the effort  
9 that went into it.

10 Do you want to wrap up with anything,  
11 Reagan?

12 MS. MILLER: No. I think we'd just point  
13 out, you know, we'll certainly be around to your offices  
14 at weekly briefings for any other discussions, but this  
15 gave us an opportunity to lay it out once, and we look  
16 forward to further input from you in our weekly meetings  
17 and at the upcoming work sessions.

18 CHAIRMAN ALCANTAR: And that will be  
19 forthcoming, and thank you for all your hard work and  
20 that concludes this meeting. Thank you.

21 (Proceedings concluded at 2:38 p.m.)

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1 C E R T I F I C A T E

2 STATE OF TEXAS )

3 COUNTY OF TRAVIS )

4 I, William C. Beardmore, Certified Shorthand  
5 Reporter in and for the State of Texas, do hereby  
6 certify that the above-mentioned matter occurred as  
7 hereinbefore set out.

8 I FURTHER CERTIFY THAT the proceedings of such  
9 were reported by me or under my supervision, later  
10 reduced to typewritten form under my supervision and  
11 control and that the foregoing pages are a full, true,  
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13 IN WITNESS WHEREOF, I have hereunto set my hand  
14 and seal this 29th day of April 2015.

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