

1 **Workforce Innovation and Opportunity Act Eligible Training Providers**
2 **Proposed Performance Standards**
3 **Discussion Paper**

4 **Background**

5 At its November 26, 2018, meeting, the Texas Workforce Commission’s three-member
6 Commission (Commission) approved removing the minimum performance standards from the
7 criteria for training programs’ eligibility for the Workforce Innovation and Opportunity Act
8 (WIOA) Eligible Training Providers List (ETPL).

9 Consistent with WIOA requirement and [TWC Rule](#), training providers have continued to submit
10 performance data for research and informational purposes annually.

11 20 Code of Federal Regulation (CFR) [§680.430\(e\)\(2\)](#) allows Local Workforce Development
12 Boards (Boards) to set additional local performance criteria under limited circumstances. When
13 the Commission removed minimum standards for eligible training providers (ETPs) in Texas,
14 TWC required Boards to provide notice should they decide to set local performance criteria.
15 Additional Board standards do not affect programs’ eligibility for the statewide ETPL. In [WD](#)
16 [Letter 05-19, Change 1](#), issued January 12, 2021, and titled “Workforce Innovation and
17 Opportunity Act, Eligible Training Provider Program, Eligibility Criteria, and Performance
18 Expectations—Update,” TWC recommended that Boards not establish local performance
19 standards. If a Board chose to do so, they were required to submit those standards to TWC staff;
20 however, TWC staff did not receive such notice from any of the 28 Boards.

21 To ensure that ETPs offer the highest-quality programs to eligible WIOA Adult and Dislocated
22 Worker participants, staff recommends performance standards be instituted for inclusion in
23 Texas’ ETPL at this time.

24 WIOA requires training providers to submit program information to TWC, including information
25 for calculating a program’s performance outcomes. TWC uses the information from training
26 providers to submit its mandatory ETP performance report to the US Department of Labor
27 (DOL) and to meet the federal requirements for informed consumer choice, including publishing
28 and maintaining Texas’ ETPL and an annually updated ETP performance report.

29 **Issues**

30 **The Statewide ETPL:** The statewide ETPL, maintained by TWC, is a comprehensive list of
31 training programs approved for WIOA-funded training using Individual Training Accounts
32 (ITAs). Providers may be public colleges, universities, registered apprenticeship program (RAP)
33 sponsors, technical colleges, private universities, career schools and colleges (CSCs), nonprofit
34 entities, or other occupational training providers in Texas. TWC’s WIOA Eligible Training
35 Providers Rule, [Chapter 840](#), allows Boards to use the ETP system and ITAs for other workforce
36 programs, including WIOA Youth, Choices, SNAP E&T, and TAA, at their discretion. ITAs
37 may only be used to fund the cost of approved training programs included on the statewide
38 ETPL.

39 **ETP Performance Reporting:** WIOA §116(d)(4) identifies required elements for state
40 performance reporting on ETPs, including four WIOA primary indicators of performance for all

1 students engaged in ETP programs. The WIOA performance indicators reported for ETP
2 programs are:

- 3 • Employed Quarter 2 Post Exit—percent of participants in unsubsidized employment
4 during the second quarter after exiting their training program;
- 5 • Employed Quarter 4 Post Exit—percent of participants who are in unsubsidized
6 employment during the fourth quarter after exit;
- 7 • Median Earnings Quarter 2 Post Exit—median earnings of participants in
8 unsubsidized employment during the second quarter after exit;
- 9 • Credential Rate—percent of participants who obtain:
 - 10 ➤ a recognized postsecondary credential during participation or within one year
11 after exit; or
 - 12 ➤ a High School Equivalency (HSE) credential during participation or within one
13 year after exit and are also employed or enrolled in postsecondary education
14 during the year after exit.

15 Section 840.30(b) lays out annual student-level data reporting requirements for ETP programs,
16 including enrollment information, outcome and credential information, and students' Social
17 Security Numbers (SSNs), as applicable. TWC collects SSNs for all students and matches these
18 against unemployment insurance (UI) tax wage records to minimize the reporting burden of
19 ETPs. For students not funded through workforce programs, TWC relies on provider-reported
20 program attendance, exit dates, and (if applicable) credential dates. Providers also self-report
21 credential information for applicable training programs (training programs are not required to
22 lead to the achievement of credentials under WIOA for eligibility for the statewide ETPL). All
23 ETP programs (except RAPs) must submit student information annually.

24 TWC maintains listings of approved ETP programs and annually publishes performance
25 outcomes for programs submitting student-level data on the TWC website's [Eligible Training](#)
26 [Providers](#) page. The "Statewide ETPL Performance Report" includes program information only
27 when the applicable data element includes five or more students.

28 Section 840.20(e) allows the Commission to set performance targets for training programs'
29 initial eligibility for the ETPL, which is effective for one year. According to §840.21(e), the
30 Commission must determine, review, and adjust performance targets for continued eligibility,
31 effective for up to 24 months, as necessary for efficient program operation.

32 **Career Schools:** TWC's CSC program monitors and audits schools to ensure reporting accuracy
33 and may require that schools maintain files for verification. Chapter 807 allows TWC to impose
34 sanctions or penalties for failure to report accurate student information or failure to report such
35 information in a timely manner. According to §807.284(d), the corrective actions for career
36 school programs that fail to meet minimum employment rates are as follows:

- 37 • First year failure—program placed on TWC-approved performance improvement
38 plan (PIP).
- 39 • Second year failure—may include:
 - 40 ➤ If improvement of at least 50 percent of difference between first-year rate and
41 minimum required occurs, PIP will be modified.

- 1 ➤ Below 50 percent improvement:
- 2 ▪ PIP will be modified; and
- 3 ▪ TWC-funded student enrollments will be suspended.
- 4 • Third year failure—program will be revoked.

5 **Recommendation**

6 Staff recommends the following performance standards be adopted and applied for training
7 providers' eligibility for inclusion in Texas' ETPL:

8 **1. Employed Quarter 2 Post Exit—70 percent**

- 9 • For all students who exit an ETP program, TWC staff matches the student SSNs
10 provided by ETPs against wage records for the second quarter following the students'
11 exit.
- 12 • Applicable to all students who have exited an ETP program.
- 13 • Students reported without SSNs will be included in outcomes as “not employed.”

14
15 **2. Employed Quarter 4 Post Exit—70 percent**

- 16 • For all students who exit an ETP program, TWC staff matches the student SSNs
17 provided by ETPs against wage records in the fourth quarter following the students'
18 exit.
- 19 • Applicable to all students who have exited an ETP program.
- 20 • Students reported without SSNs will be included in outcomes as “not employed.”

21
22 **3. Median Earnings Quarter 2 Post Exit—\$7,800 or above**

- 23 • For all students who exit an ETP program and are employed in the second quarter
24 following exit, TWC staff uses SSNs to identify students' wage records.
- 25 • Students without reported SSNs are excluded from this measure.

26
27 **4. Credential Rate—50 percent**

- 28 • This outcome will be self-reported by ETPs on annual performance reports for all
29 students who exit.
- 30 • The rate will not be applied to programs identified on the ETPL with program
31 outcomes of:
 - 32 ➤ Measurable skill gain leading to employment;
 - 33 ➤ Measurable skill gain leading to credential; or
 - 34 ➤ No credential—employment only.
- 35 • The percent of total exiters from programs intended to result in credential outcome,
36 who:
 - 37 ➤ achieve a recognized postsecondary credential during participation or within
38 one year after exit; or
 - 39 ➤ receive an HSE during participation or within one year after exit **and** are also
40 employed or enrolled in postsecondary education, during the year after exit.
- 41 • To ensure successful implementation, the credential rate standard will increase 5
42 percent each year over three years.

- Year 1—50 percent (effective for 2025 reporting, covering July 1, 2023–June 30, 2025)
- Year 2—55 percent (effective for 2026 reporting, covering July 1, 2024–June 30, 2026)
- Year 3—60 percent (effective for 2027 reporting, covering July 1, 2025–June 30, 2027)

5. Completion Rate—60 percent

- The percent of program exiters reported with an exit type of “Complete.”
- Students with an exit type of “Transfer” are excluded from the measure.

Meeting Performance

Staff recommends that to meet a performance standard, an ETP program must achieve no less than 90 percent of the target for that performance year. For example, a program with a median student exiter wage of \$7,250 per quarter would meet the earnings standard, while a median wage of \$7,020 per quarter would not.

Applicability of ETP Standards

- If a training program’s student count is below the minimum reporting threshold set by TWC, performance standards will not be applied to a program during that year. For these programs, TWC will aggregate two years of program data for performance measurement and reporting.
- The corrective action process for an ETP program failing to meet minimum performance standards will be consistent with those steps already in place under §807.284(d).
- In accordance with federal requirements, performance standards will not be applicable to DOL RAPs.

Additionally, staff recommends that TWC publish the performance standards adopted by the Commission by September 1, 2024, with the performance standards being made effective for the ETP annual reporting period ending in July 2025.