

# TEXAS WORKFORCE NETWORK



*An Employer Driven Workforce System*

**Discussion on WIA Waiver Activities**

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# Texas Approach to Waivers



- ⌘ Our guiding philosophy is that waivers are intended to promote the greatest flexibility at the local level
- ⌘ Our ability to write waivers has increased over time
- ⌘ Basic intent is to make WIA “fit” like our other programs do
- ⌘ Resolve inconsistencies to simplify rule base
- ⌘ Pay attention to public comment

# Waivers - First Wave



- ☒ Customized Training: 50% of Cost of Training Employer Match
- ☒ Eligible Training Provider (ETP) Performance Reporting Requirements for Subsequent Eligibility Determination
- ☒ Transfer of WIA Funds between Adult and Dislocated Worker Programs
- ☒ Use of the Eligible Training Provider System for Older and Out-of-School Youth
- ☒ 15 Percent Limit on Statewide Activities
- ☒ Waiver to base de-obligations on expenditures (not submitted)

# Customized Training: 50% of Cost of Training Employer Match



- ⌘ Change the required 50% employer match to a match based on a sliding scale.
- ⌘ Employer match would range from 10 to 50 percent based on certain desirable quality characteristics of the training and the transferability of the skills to be attained by the worker.

# Customized Training: 50% of Cost of Training Employer Match

## **Goals to be Achieved by this Waiver:**

- Increase flexibility at the local level to serve business and industry .
- Job training with transferable skills that lead to high-skill, high-wage occupations and industries.
- Improve ability of Boards to work with the private sector and respond quickly to changes in their areas; and
- Increase local flexibility for design and control of training programs.

# Customized Training: 50% of Cost of Training Employer Match



- ⌘ Only one board has used this waiver.
- ⌘ Insufficient data to evaluate effectiveness

# Eligible Training Provider (ETP) Performance Reporting Requirements for Subsequent Eligibility Determination

- ⌘ Requested waiver of the employment and wage performance reporting requirements for the Participant Universe – ALL for programs that are currently approved by the Texas Higher Education Coordinating Board (THECB).
- ⌘ These programs would be exempted from submitting performance data at time of initial eligibility application. The waiver would apply to submission of specified performance data at time of subsequent eligibility application.

# Eligible Training Provider (ETP) Performance Reporting Requirements for Subsequent Eligibility Determination



## **.Goals to be Achieved by the Waiver:**

- Eliminating duplication of performance reporting and evaluation processes by multiple state agencies,
- Streamlining the application submission and review process for THECB-approved programs
- Enhancing and maintaining a robust Eligible Training Provider List (ETPL)
- Facilitating continued participation by providers in rural areas with a relatively small number of available providers and/or training locations; and
- Assisting with the provision of a quality workforce for the State of Texas.

# Eligible Training Provider (ETP) Performance Reporting Requirements for Subsequent Eligibility Determination



## Important Lesson to Learn

- ⌘ DOL does not always give you what you asked for
- ⌘ We got permission to extend period of initial eligibility for providers which created a challenge
- ⌘ We already had providers in the subsequent eligibility period

# Eligible Training Provider (ETP) Performance Reporting Requirements for Subsequent Eligibility Determination



- ⌘ This waiver impacts all boards.
- ⌘ State is able to maintain a robust list of providers.
- ⌘ Some confusion for boards because some providers were already subsequently certified.

# Transfer of WIA Funds between Adult and Dislocated Worker Programs



- ⌘ Requested a waiver to eliminate the 20% limitation on transferring WIA funds between Adult and Dislocated Worker programs.
- ⌘ The waiver would provide an unlimited ability to transfer funds between these titles.
- ⌘ In granting of this waiver, the Commission will ensure that the critical workforce needs of the local communities are met.

# Transfer of WIA Funds between Adult and Dislocated Worker Programs

## **Goals to be Achieved by the Waiver**


- Improve the ability of Boards to respond to changes within their local areas.
- Increase local control
- Increase employer collaboration between industry need and worker training.
- Increase accountability at the state, local and service provider levels.
- Provide greater flexibility to Boards in designing and implementing WIA programs.

# Transfer of WIA Funds between Adult and Dislocated Worker Programs




- ⌘ 13 boards utilized in PY 03 (\$6.5M) and 11 in PY 04 (\$11.4M).
- ⌘ Greater flexibility to focus services to populations in greatest need at local level.

# Use of the Eligible Training Provider System for Older and Out-of-School Youth



- ⌘ Requested waiver of the requirement to competitively procure training providers for Older and Out-of-School Youth.
- ⌘ Local Workforce Development Boards would have the option to use the Eligible Training Provider system to secure training providers for these two youth populations.

# Use of the Eligible Training Provider System for Older and Out-of-School Youth



## **Goals to be Achieved by the Waiver:**

- Improve youth services through increased customer choice in accessing training opportunities in demand occupations;
- Increase the number of training providers for Older and Out-of-School Youth;
- Provide Boards more flexibility in securing service providers;
- Promote better utilization of service providers in rural areas; and
- Eliminate duplicate processes for service providers.

# Use of the Eligible Training Provider System for Older and Out-of-School Youth



- ⌘ 13 boards utilize this feature to provide training services to older and out-of-school youth.
- ⌘ 943 youth representing 535 job placements

# 15 Percent Limit on Statewide Activities

- ⌘ Requested waiver to remove the 15 percent limit on the amount the Governor may reserve for statewide activities and to allow the Governor the flexibility to determine the amount reserved for statewide activities.
- ⌘ Reserve amount greater than 15 percent to be distributed to the Local Workforce Development Boards to fund programs and activities administered and designed by the Boards at the local level. Administrative costs would remain at or below 5 percent at the state level.

# 15 Percent Limit on Statewide Activities

## **Goals to be Achieved by the Waiver:**

- Improve the ability of Boards to respond to employers and job seekers that do not fit statutory defined populations;
- Increase local control for program delivery by encouraging locally designed service delivery plans;
- Provide greater flexibility to Boards in designing and implementing WIA programs; and
- Increase accountability at all levels by ensuring that statewide activity expenditures are reported through existing accountability systems and are based on negotiated performance measures

# 15 Percent Limit on Statewide Activities



## Outcome

- ⌘ Waiver was not approved
- ⌘ Decision to resubmit but with different construction

# Local Activity Funds



- ⌘ The purpose of the waiver is to gain additional flexibility for Boards in the use of WIA formula funds to meet demands of local workforce development area (local area) employers, incumbent workers, job seekers, and youth.

# Local Activity Funds



## **Goals to be achieved by the Waiver:**

- Improve the ability of Boards to appropriately and quickly respond to employers, incumbent workers, job seekers, and youth;
- Increase local control for program delivery by encouraging locally designed service delivery plans that support unforeseen economic changes;
- Increase accountability at the state, local and service provider levels; and
- Provide greater flexibility to Boards in designing and implementing WIA programs.

# Local Activity Funds



## Features of the Waiver

- ⌘ Allow the funds allocated to the local areas under Sections 128 and 133 of WIA, to be used not only in the manner prescribed under the statute, but
- ⌘ also as Local Activity Funds in the same manner and fashion as Statewide Activity funds under Sections 129 and 134 of WIA.
- ⌘ Under the waiver requested by the Commission, both required and allowable Statewide Activities would be permissible uses for a certain amount of the formula funds allocated to the local areas.

# Local Activity Funds



- ⌘ Texas boards allowed to designate up to 10% of formula funds for Local Activity Fund.
- ⌘ All activities allowable under Statewide Activity allowed with this designation

# Local Activity Funds



⌘ \$4.1M in PY 03 and \$2.6M in PY 04

⌘ Uses include:

- ☑ incumbent worker training,
- ☑ subsidized employment and
- ☑ health care training for youth
- ☑ customized employer assessments

# Waiver Second Wave



- ⌘ Redistribution Waiver
- ⌘ Board Performance Measures Waiver
- ⌘ Local Activity Fund (modified)
- ⌘ Dislocated Worker Waiver
- ⌘ WORK OPPORTUNITY TAX CREDIT: Alternative Methods of Application Submission
- ⌘ WORK OPPORTUNITY TAX CREDIT: Second Review

# Redistribution Waiver



- ⌘ Waiver of the WIA statutes relating to the redistribution of recaptured local funds
- ⌘ Proposed to base the redistribution of WIA funds on the Commission's allocation rules (40 TAC §§800.51–800.75).
- ⌘ Commission ensures that financial reporting will be consistent with current U.S. Department of Labor (DOL) requirements and that federal funds will be effectively managed for maximum service provision and program performance.

# Redistribution Waiver



## **Goals to be Achieved by the Waiver:**

- ⌘ Recaptured funds will be redistributed to workforce areas based on factors established by the Commission.
- ⌘ The waiver request also allows the Commission to ensure that funds are redistributed to those workforce areas with the greatest need.
- Facilitates maximum expenditure of recaptured federal funds.
- Improved administrative efficiencies.

# Board Performance Measures Waiver



- ⌘ Waiver from WIA §136(c) to allow greater flexibility when contracting performance measures with the Local Workforce Development Boards
- ⌘ Commission requested flexibility to modify Board performance measures.
- ⌘ Track and report all 17 measures but create separate measures to support common measures

# Board Performance Measures Waiver



## **Goals to be Achieved by the Waiver:**

- ⌘ Increase integration of services to customers
- ⌘ Increase accountability at the state, local, and service provider levels through integrated performance measures.
- ⌘ Provide greater flexibility to Boards in designing and implementing one-stop services based on employer needs rather than siloed program requirements.

# Local Activity Fund (modified)



⌘ Presently, the Local Activity Funds waiver is limited to 10 percent of each Board's Adult, Dislocated Worker, and Youth formula-allocated funds. The limit of 10 percent was established in DOL's waiver approval (*See Attachment 2*). TWC now requests that the limit be raised to 50 percent.

# Dislocated Worker Waiver



- ⌘ waiver to allow the Governor to increase from 15 percent to 20 percent the amount of WIA Dislocated Worker funds, allotted to states under WIA §132(b)(2)(B), that may be reserved as Statewide Activity funds.
- ⌘ effect of this waiver will be to reduce the maximum amount the state may set aside for Statewide Rapid Response activities from 25 to 20 percent

# Dislocated Worker Waiver



## **Goals To Be Achieved by the Waiver**

- Equip workers with relevant job training that leads to high-growth, high-demand occupations providing flexibility to respond to employer-identified skill needs.
- Provide greater flexibility to TWC in designing and implementing WIA services providing flexibility to respond quickly to existing and emergent demands in Texas.

# WORK OPPORTUNITY TAX CREDIT: Alternative Methods of Application Submission

- ⌘ permit alternative methods of submission under the application and certification procedures for WOTC and WtWTC.
- ⌘ TWC seeks additional flexibility to allow other methods of submissions, such as:
  - faxed Transmissions; and
  - e-mailed transmissions of portable document format (PDF) files

# WORK OPPORTUNITY TAX CREDIT: Alternative Methods of Application Submission

## **Goals To Be Achieved by the Waiver:**

- Reduced burden on employers by eliminating unnecessary and costly burden on employers of mailing paper documents to request tax credits, allowing TWC to commence processing applications more quickly.
- Increased use of the WOTC and WtWTC programs

# WORK OPPORTUNITY TAX CREDIT: Second Review

- ⌘ waiver of the Handbook requirements for a second review of 100 percent of the certifications and denials issued.
- ⌘ The large number of applications for WOTC and WtWTC (over 110,000 in Fiscal Year 2004) has created a burden on staff to fulfill the requirements of a second full review on every application.

# WORK OPPORTUNITY TAX CREDIT: Second Review



## **Goals To Be Achieved by the Waiver**

- ⌘ Tax relief for employers will result in the increased use of WOTC and WtWTC programs and Texas employers will experience tax savings through the increased use of the more streamlined and efficient WOTC and WtWTC programs
- Improved administrative efficiencies serve to streamline and minimize administrative procedures by decreasing the time frame required to process the tax certifications.

# WORK OPPORTUNITY TAX CREDIT



## Outcome

- ⌘ neither WOTC waiver was approved
- ⌘ IRS requirements or this program not covered by WIA waiver process

# Lessons Learned



- ⌘ For latest wave we are only now implementing.
- ⌘ Local Activity Fund expansion already available to boards