

TEXAS WORKFORCE COMMISSION

Self-Evaluation Report to the Texas Sunset Advisory Commission

Prepared by
Texas Workforce Commission



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TABLE OF CONTENTS

	<i>Page</i>
I. Agency Contact Information	3
II. Key Functions and Performance	4
III. History and Major Events	22
IV. Policymaking Structure	27
V. Funding	34
VI. Organization	43
VII. Guide to Agency Programs	54
VIII. Statutory Authority and Recent Legislation	274
IX. Policy Issues	306
X. Other Contacts	322
XI. Additional Information	341
Complaint Data	341
HUB Data	342
EEO Data	345
XII. Agency Comments	347

Texas Workforce Commission Self-Evaluation Report

I. Agency Contact Information

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II. Key Functions and Performance

Provide the following information about the overall operations of your agency. More detailed information about individual programs will be requested in a later section.

A. Provide an overview of your agency's mission, objectives, and key functions.

Texas Workforce Commission (TWC) is the state agency charged with overseeing and providing workforce development services to employers and job seekers of Texas.

Texas Workforce Commission Mission

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

Workforce development includes the oversight and support of a market-driven, integrated workforce system that consolidates employment, job training, and work-related services including the regulation of career schools.

Historical Overview

State and federal law and regulations guide the activities of TWC. In 1993, the Texas Legislature, in Senate Bill 642, called for the formation of the Texas Council on Workforce and Economic Competitiveness (TCWEC), voluntary Local Workforce Development Boards (Boards), and the development of a state and local delivery system for workforce services. TCWEC was charged with bringing together state economic development, education, and workforce development agencies to develop a shared vision and plan for workforce development.

In 1995, Texas enacted welfare and workforce reform in H.B. 1863 establishing the Texas Workforce Commission and merging 28 various employment and training programs. In 1998, Congress passed the Workforce Investment Act (WIA) creating a one-stop system of career centers nationwide and allowing Texas to use the “grandfather” provisions to continue progress already made in workforce reform.

A number of other statutes govern the specific programs administered by TWC. Subsection A. of Chapter VIII lists the major state and federal enabling statutes.

TWC, together with 28 local workforce development boards and their contracted service providers and community partners, comprises Texas Workforce Solutions, a local and statewide network engaging the community and business to determine individual regions' workforce needs and allocate resources. This network provides services to customers locally at 194 Workforce Solutions Offices.

As the administrator of the state's Unemployment Insurance (UI) Trust Fund, TWC paid out more than \$5 billion in state and federally funded unemployment benefits during the 2012 fiscal year. Funded through Texas employer taxes, the UI Trust Fund provides temporary income to workers who have lost their jobs through no fault of their own. TWC collects unemployment taxes from liable employers and pays unemployment benefits to qualified claimants. TWC has a formal appeal procedure to address claim issues and employers' tax liability, contribution or reimbursement disputes. TWC administers the unemployment benefits services through six Tele-Centers and administers Unemployment Tax services for more than 468,000 employers.

TWC's [Civil Rights Division](#) is governed by its own set of commissioners. The Commission on Human Rights establishes policies for the division and supervises the director in administering the activities of the division. The Commission on Human Rights is the state authority established as a fair employment practice agency.

The major functions of TWC include workforce development, administering programs such as child care and other support services for targeted populations who are participating in workforce training, and administering the unemployment benefits and tax programs TWC also provides labor market information and analysis on shifts in occupations and industries within the state.

Employer services include job posting through WorkInTexas.com, recruiting, training and retraining, outplacement services, and information on employment law and labor market trends and statistics. Job seeker services include career development information, job-search resources, training programs and, as appropriate, unemployment benefits. While targeted populations receive intensive assistance to overcome barriers to employment, all Texans can benefit from the services offered by the partners of Texas Workforce Solutions.

Funding

Eighty five percent of the TWC budget is funded through federal sources. TWC provides grants, through allocation formulas, to workforce development boards that, in turn, plan and administer Workforce Investment Act (WIA), Temporary Assistance for Needy Families (TANF) Choices, Employment Services, Supplemental Nutrition Assistance Program Employment and Training (SNAP E&T), child care and other workforce and support services.

Employer-paid state unemployment taxes and reimbursing employers (such as state agencies and school districts), pay for state unemployment benefits. The U.S. Department of Labor allocates funds from the Federal Unemployment Tax (FUTA) to the state to pay for administrative and operational costs.

Texas Workforce Solutions provides workforce development services that help connect workers with training opportunities and assists employers in hiring skilled workers to grow their businesses. TWC's workforce partners include local workforce development boards in partnership with community colleges, adult basic education providers, local independent school districts, economic development groups, businesses and other state agencies. Collaboration and coordination among all partners plays a critical role in the success of the Texas workforce system.

Boards are responsible for strategic planning of workforce services for employers and job seekers. The integrated workforce delivery system maximizes funding and productivity while eliminating duplicate efforts. Through performance-based contracts, TWC monitors and holds the Boards accountable for program performance and provides technical assistance.

TWC is dedicated to leading a market-driven workforce system that meets the needs of employers and workers and helps Texans prosper.

Objectives and Programs

The agency provides a variety of services in compliance with state and federal law. It has broad responsibilities relating to workforce development and the unemployment compensation program. The agency's statutorily authorized duties include the following:

- Oversight and support of a market-driven, integrated workforce development system through the consolidation of job training, employment, and work-related services including literacy, child care, and transportation
- Administration of employment services and job training for job seekers and current workers
- Administration and operation of unemployment compensation benefit payments and unemployment tax collection and the adjudication process for determining claimant eligibility and employer liability
- Administration of childcare services for parents who work, attend school or participate in job training
- Regulation of career schools and enforcement of minimum standards of approval for career schools
- Enforcement of Pay Day Law wage claims and child labor laws
- Adjudication of wage claims through investigations and other actions to ensure payment of wages
- Dissemination of information about the Minimum Wage Act Assistance
- Assisting trade-affected unemployed workers in securing training and employment
- Inspection and approval of veteran's education schools and training establishments
- Collection, analysis, and publication of Labor Market Information to employers, Boards, state and local government, the U.S. Department of Labor, and other entities and individuals
- Award and oversight of Skills Development Fund job training contracts
- Administration of Adult Basic Education programs (beginning Sept. 2013)

Non-statutory Duties

The agency also performs a variety of other duties not required by statute but ancillary to the fulfillment of its statutory duties. Those duties include administration, budgeting, planning, auditing, monitoring, information systems assistance, and various support services.

Key Functions

TWC and the Boards form a unique system in state government. The following primary functions support the agency and the administrative purposes of the Boards as necessary.

Program Administrative Functions

- Strategic Planning – Developing Commission goals and objectives, and planning for the allocation of staff and financial resources
- Policymaking - Development of rules, policies, and procedures to guide agency and Board activities
- Program Management – Planning, tracking, and reporting program activities
- Budget Development – Preparation, modification of the agency budget
- Grants and Contracts Administration – Administration of grants and contracts awarded to the agency or awarded by the agency to Boards and other entities
- Technical Assistance – Assistance to Boards as needed in program implementation and administration
- Monitoring – Evaluation of service delivery and contract administration by Boards

Agency Administrative Functions

- Funds Administration Budgeting, Accounting/Disbursements/Payroll
- Revenue Estimating – Forecasting and monitoring agency revenues and funding
- Purchasing and Asset Management
- Personnel Management, Recruitment, and Training – Providing and supporting a skilled workforce for the agency

Information Resource Management – Defining, designing, and maintaining agency information systems, including the Workforce Information System of Texas (TWIST)

B. Do your key functions continue to serve a clear and ongoing objective? Explain why each of these functions is still needed. What harm would come from no longer performing these functions?

The agency's mission, objectives and key functions are drawn from federal and state law and provide for an integrated workforce development system where services are designed and customized with the needs of employers and residents in different regions of the state. Texas' rapidly growing population has placed greater emphasis on the performance of the state's workforce system. Texas has one of the largest and fastest growing economies in the United States and ranks the 14th largest economy in the world. As our state competes in this global economy for talent and resources, a well-developed integrated and efficient workforce system serves as an integral role. TWC has been at the forefront of innovative ways to connect both job seekers and employers to new opportunities to engage with the workforce system to take advantage of the programs and services it provides.

A number of the functions performed by the Commission carry out federal laws: the Wagner-Peyser Employment Services (ES) program, the Workforce Investment Act (WIA), Unemployment Insurance, Temporary Assistance for Needy Families (TANF) employment and training programs, Supplemental Nutrition Assistance Program (SNAP) Employment and Training, Child Care, and are the major federal programs. These programs are essential to providing relevant workforce and referral services to targeted populations, who benefit from integrated service delivery.

If TWC's agency functions were to be disbanded, it would result in a fragmentation of services, higher costs associated with providing services, and would hamper the ability of dislocated workers' and job seekers' to reattach to the workforce. It would also result in a reduction of opportunities for quality connections between employers and job seekers, and in fewer economic development opportunities to be fostered among these stakeholders. Synergies gained through the integration of workforce and economic development functions would be lost.

C. What evidence can your agency provide to show your overall effectiveness and efficiency in meeting your objectives?

Texas Workforce Commission Vision

Texans will view the Texas Workforce Commission, local workforce development boards, and their partners as a quality provider of workforce solutions that contribute to economic prosperity.

The Texas Workforce Commission and its network of 28 local workforce development boards represents the successful integration of 28 different programs under one roof into one cohesive workforce development system.

Texas' integrated workforce network has served as a national leader in many areas including program, policy, financing and performance. Other states have frequently sought to replicate or borrow from the Texas Workforce Model in the design of new programs or in the creation of national workforce policy. The Texas Workforce Commission has also been awarded with many competitive and high-performance federal grants that have helped boost efforts to build program capacity, advance workforce skills and to help continue to attract leading edge businesses to our state.

With a workforce now exceeding 12.7 million, Texas continues to gain widespread recognition for leading in the nation's economic recovery. The Texas Workforce Commission contributes to the state's positive economic development not only by providing world class workforce services in an efficient manner, but also through its ability to continuously improve its systems without compromising quality of delivery. TWC's agile and responsive approach is one that works well in good times and in challenging times.

Through online solutions to improve the way claimants apply for unemployment benefits and simplifying the process for employers to pay unemployment tax, TWC has continuously sought the use of technology to increase its quality of services. As one of the agency's main responsibilities, TWC continuously seeks ways to modernize administration of the unemployment benefits system. In the 81st legislative session, TWC worked with the Legislature to pass HB 1831 that would suspend the waiting week for individuals that are affected by disasters, allowing benefits to flow more quickly to displaced individuals.

In 2004, the agency launched WorkInTexas.com, the state's online job-matching system for job seekers and employers, and gained national recognition with a first place award in the Government to Business Category from the Center for Digital Government. Florida, California and several workforce agencies in other states are using WorkInTexas.com as a model for a successful job-matching website.

A Focus on Veterans

Veterans are a priority population for the Texas Workforce Commission and Workforce Solutions services. New jobs posted on WorkInTexas.com are placed on a two-day hold for veterans to ensure that returning service members get first viewing of the new employment opportunities. TWC and Workforce Solutions partner with the Texas Veterans Commission, local community colleges, the Higher Education Coordinating Board and others to help veterans transition to the civilian workforce.

The Texas Veterans Leadership Program, conceptualized by Gov. Rick Perry, is a TWC resource and referral network connecting returning veterans of Iraq and Afghanistan with the resources and tools they need to lead productive lives and enjoy the full benefits of the society they have willingly served. One Veterans Resource and Referral Specialist is assigned to each of the 28 workforce development areas, to work closely with Workforce Solutions office staff and Texas Veterans Commission staff who are co-located in Workforce Solutions offices. All 23 Veterans Resource and Referral Specialists are veterans of Iraq and/or Afghanistan. This network of returning veterans plays an integral role in addressing the needs of other returning veterans, including employment, training, medical, educational, and other needs.

Texas is one of four states selected to receive a grant from the U.S. Department of Labor to work on a joint project with the U.S. Department of the Army to assist soldiers in obtaining employment when they separate from the service. The grant funds the State of Texas Soldier Employment Initiative (STSEI), includes the formation of a leadership council composed of employers and human resources professionals, different state and federal agencies, veterans' service organizations, and community and faith-based organizations. The Texas Veterans Leadership Program (TVLP) has taken the lead in the development and implementation of a plan for the enhanced outreach and employment services for ex-military claimants.

In 2011, TWC launched the College Credit for Heroes initiative to help veterans more easily re-enter the civilian workforce by allowing them to earn college credit for the skills they obtained during their military service. TWC partnered with seven Texas community colleges to develop the program which has since expanded to additional partner schools.

On November 15, 2012, TWC held a first-of-its-kind statewide job fair specifically targeted for veterans. To assist the estimated 922,000 service members returning home due to the end of the war in Iraq and the drawdown of troops from Afghanistan, TWC and Texas Workforce Solutions held 27 Hiring Red, White & You! events on a single day throughout the state. Thousands of veterans found employment as a result of their participation in the job fairs and a second annual statewide fair is scheduled for November 2013.

Overview of TWC Performance Measures

Texas has historically been seen as a leader in workforce integration. However, TWC and the local Workforce Solutions Offices continue to refine and improve Texas' integrated structure in order to operate in the most efficient and effective manner possible, while ensuring the workforce system is both flexible and adaptable, and most importantly, market based and customer focused

Improved access and efficiency along with value-added services are a few of the many benefits customers receive from an integrated system.

Texas job seekers benefit from a wide variety of programs and services administered by Workforce Solutions Offices, including:

- Workforce Investment Act (WIA)
- Wagner-Peyser Employment Service
- Unemployment Insurance (UI) Benefits Information
- Choices, the Temporary Assistance for Needy Families (TANF) employment and training program
- Supplemental Nutrition Assistance Program (SNAP) Employment and Training
- Subsidized child care
- Trade Adjustment Assistance (TAA)

This variety of programs provides Workforce Solutions Office staff with numerous tools to assist customers in meeting their needs. An added benefit is that job seeker information is centrally maintained, removing the necessity to provide separate documentation for each program.

Integrating programs within Workforce Solutions Offices allows Texas to leverage resources, thus minimizing the impact of reductions in funding and the increased demand for services. The continued reduction to five percent for Program Year 2011 (PY'11) governor's reserve funds has restricted the state's ability to effectively fund and carry out the required statewide WIA activities.

While Texas saw jobs added during every month of FY 2012, the state continued to experience layoffs as more than 425,000 individuals received initial unemployment payments. Texas Workforce Solutions assisted job seekers and dislocated workers across Texas with reemployment and rapid response services to quickly help these workers find new employment opportunities, while minimizing the economic effect of local layoffs. TWC took steps to assist the long-term unemployed by using \$3 million in federally funded Reemployment Eligibility Assistance (REA) to maintain higher service levels, including additional employment counseling staff.

One of the most common barriers to employment is access to reliable and affordable child care. TWC offers this benefit to eligible families of children under the age of 13 and those eligible may receive child care financial assistance so that parents can work, attend school, or participate in training. Workforce Development Boards (Boards) administer Child Care Services through Workforce Solutions offices. In addition to offering Child Care Services, Boards partner with regulated child care providers to improve the quality of child care. Quality improvement activities, such as [Texas Rising Star Provider Certification](#), may vary by Board.

Administration of UI Benefits

TWC paid out more than \$5 billion in state and federally funded unemployment benefits during the fiscal year 2012. Like many states, Texas received advances from the federal government to pay unemployment benefits during the recent economic downturn. Specifically, Texas received federal advances between July 2009 and December 2010. Under the federal stimulus act, the interest that would have been due on the advances was waived through December 31, 2010. However, beginning January 1, 2011, interest at a rate of 4.1 percent was set to be charged on the outstanding balance of \$1.7 billion.

Because of costs associated with the looming high interest rates, the Texas Workforce Commission opted to sell bonds to pay the outstanding balance of the loans before an interest payment was due. Texas legislators had anticipated the need for this option in 2003 when the commission was reviewed under the state's sunset review process. That year, [Senate Bill 280](#) added [Subchapter F to Chapter 203, Labor Code](#), to authorize the commission to request a bond issuance on its behalf if the commission determines that bond financing is the most cost effective method of funding the payment of benefits. The law caps the maximum principal amount of each separate bond issue at \$2 billion and the maximum term of the bonds at 10 years.

The Texas Public Finance Authority sold revenue bonds on behalf of the commission in November and December 2010, generating approximately \$2.1 billion in bond proceeds. The proceeds were used to pay off the outstanding federal loan balance of \$1.7 billion in December 2010, and the remaining \$400 million was deposited in the UI trust fund. Texas employers are paying less to replenish the UI fund under the bond sale because the interest rate on the bonds is 3.1 percent, a full percentage point lower than the interest rate on the federal loans. Additionally, if the debt can be repaid early as projected, the interest rate could be as low as 2.76 percent. This was the second successful bond sale strategy employed by TWC to responsibly manage the state's UI trust fund debt and keep money flowing in the Texas economy.

Through the creation of programs that focus on reattachment to the workforce for unemployment claimants, the unemployment insurance claimant is one of the priority populations in our system. In 2003, TWC implemented a self-imposed 10-week reemployment measure for UI claimants as the agency's gold standard. While not a federally or state mandated target, in 2011 TWC received the U.S. Department of Labor's innovation best practices award for implementing this measure. In the first five years of the new program measure, we estimate a savings of approximately \$1 billion to the UI Trust Fund. By making UI claimants a priority and getting them back to work, it puts money in their household and ultimately into the economy. We believe Texas is the only state that has a self-imposed employment measure for UI claimants.

Building on the commitment of our local workforce boards, the state provides support tools such as our comprehensive on-line job search resource, [WorkInTexas.com](#). [WorkInTexas.com](#) allows unemployed Texans to search for work based on a variety of options and search criteria and is also an excellent tool for employers to find skilled workers.

Responsive to Texas Employers

With nearly 460,000 employers representing hundreds of industries, Texas' strong economic foundation is largely a credit to the diversity and stability of its private-sector businesses. The overwhelming majority of Texas employers are small businesses employing 100 or fewer workers. However, the largest percentages of private-sector jobs are with those companies who employ more than 100 workers. TWC partners with local economic development entities to equip Texas employers, both large and small, with a highly skilled workforce that will keep jobs in Texas and keep companies competitive in the global marketplace.

State-funded Skills Development Fund grants provide customized job-training for businesses in partnership with local community colleges. These grants helped 111 businesses provide new and upgraded job skills to nearly 20,000 workers in FY 2012. These public-private partnerships strengthen the workforce system's relationship with local community colleges as they collaborate with employers to upgrade the skills of existing employees and provide training for new workers.

Providing today's youth with education, training, and workplace opportunities is essential to the state's future growth and success. In an effort to ensure that young people have the skills to meet future workforce needs, TWC supports programs that educate students on high-demand careers from an early age. Science, technology, engineering, and math (STEM) programs such as the ExxonMobil Texas Science and Engineering Fair, *FIRST* in Texas after school robotics programs, Texas Youth in Technology grants, the Governor's Champions Academy summer camp, and Summer Merit STEM camps are all part of a multi-pronged effort to encourage young people to pursue in-demand skill sets.

Recognizing the need for fiscal responsibility in the face of decreasing allocated federal resources, TWC welcomed the decision by the Texas Legislature to test the use of proven lean business process improvements on government operations. The agency's resulting improvements from the pilot project, which focused on the Work Opportunity Tax Credit (WOTC) program, proved a greater than expected success. In FY 2012, TWC helped employers identify more than \$360 million in potential tax savings through business income tax credits, an increase of nearly \$100 million from the previous fiscal year. TWC has expanded this initiative agency wide.

Improvements

Integrating programs within Workforce Solutions Offices allows Texas to leverage resources, thus minimizing the impact of reductions in funding and the increased demand for services. The reduction from 15 percent to five percent for Program Year 2011 (PY'11) governor's reserve funds has restricted the state's ability to effectively fund and carry out the required statewide WIA activities. TWC's integrated approach to services, however, allowed Workforce Solutions Office staff to serve a greater number of individuals with services to improve the job seeker's probability of success.

The following is a list of ways TWC is improving its service through technology:

- Enhancing its UI program for claimants and employers by making benefit payments available through direct deposit, providing a system for online filing for individuals with military or federal claims, and establishing an electronic request process for separation information and response between participating state UI agencies and employers or third party administrators. In addition, both claimants and employers are now able to view appeal status online.
- Consolidating two major information systems) — The Workforce Information System of Texas (TWIST) and the Child Care Service Delivery (CCSD) — to facilitate and support integrated case management for the state's 28 workforce development boards.

- Implementing improvements to the WorkInTexas.com online job-matching system by incorporating Rapid Reemployment Program functionality so that specific claimant data can be more seamlessly integrated, providing a site makeover for enhanced functionality and ease of use with a fresh look and feel, and enhancing the job-matching criteria to improve job matching for employers and job seekers.
- Migrating TWC email service to the hosted Microsoft Office 365 cloud solution.
- Pursuing UI IT strategic planning improvement projects, which improve UI Fraud detection by using data analysis to reduce the impact of fraudulent activity through early detection, modernizing the UI Tax system database structures and rates functions, making electronic correspondence available for employers and claimants, enhancing the benefits user interface for Tele-center customer service representatives, and improving Tele-center technologies to enhance the integrated voice response system and a single 800 number for access to Tele-center services.
- Improving communication with customers through new technologies by launching a new and upgraded TWC homepage and roadmap, developing social media outreach through Facebook, Twitter, and YouTube, and creating a mobile application for WorkInTexas.com.

D. Does your agency's enabling law continue to correctly reflect your mission, objectives, and approach to performing your functions? Have you recommended changes to the Legislature in the past to improve your agency's operations? If so, explain. Were the changes adopted?

The agency's enabling law reflects the mission, objectives, and approach to performing the agency's functions. The Texas Model of an integrated workforce system that provides all related workforce and related services under one roof has set the national standard in many cases. Changes have been brought forward and adopted mainly to stay in conformance with federal law. Examples include:

- HB 2035 amended Texas Labor Code Section 215 to conform the state's Shared Work Unemployment Compensation Program to recent changes in Federal Public Law 112-96, the Middle Class Tax Relief and Job Creation Act of 2012.
- SB 1537 conforms the Texas Unemployment Compensation Act to amendments made by Public Law 112-40, Trade Adjustment Assistance Extension Act of 2011 to prohibit the state from relieving an employer of benefit charges when the employer, or an agent of the employer, was at fault for failing to respond timely or adequately to the state's request for information relating to a claim that was subsequently overpaid; and has established a pattern of failing to respond timely or adequately to requests from the state agency for information relating to claims for UC benefits.
- SB 920 amended Section 207.021(a) of the Texas Unemployment Compensation Act to include a requirement for claimants to be actively seeking work pursuant to changes in Federal law HR 3630, the Middle Class Tax Relief and Job Creation Act of 2012 which amended Section 303(a) of the Social Security Act by adding subsection (12).
- SB 658 amended Section 214.003, TUCA to provide for a 15 percent penalty on improper payments resulting from claimant fraud in connection with state or Federal Unemployment Compensation programs and Section 203.201, TUCA to deposit the collected penalty amounts into the state Unemployment Compensation trust Fund as required by 42 U.S.C. 503(a)(11)(a).

TWC has exercised flexibility through federal waivers granted by the U.S. Department of Labor. However, federal laws allowing more flexibility in the use of federal funding would allow greater use of resources in areas with more need. TWC continues to ask for federal waivers frequently and works closely with its federal partners to identify flexible funding opportunities.

Some examples of successful waiver requests:

- *Employer Contribution for Customized Training*
Permits the Texas Workforce Commission (Commission) to replace the Workforce Investment Act (WIA)-required 50 percent employer match for customized training with a 10 to 50 percent sliding scale match based on the size of the employer.
- *Transferring Funds between Adult and Dislocated Worker Programs*
Permits the Commission to approve transfer amounts of up to 50 percent of local workforce development area allocations between the WIA adult and dislocated worker funding streams, as requested by Local Workforce Development Boards.
- *Rapid Response/Incumbent Worker Training*
Permits the Commission to use up to 20 percent of rapid response funds for incumbent worker training only as part of a layoff aversion strategy. All training delivered under this waiver is restricted to skill attainment activities.
- *WIA Formula Funds Used as Local Activity Funds*
Permits Boards to designate up to 10 percent of local WIA adult funds and up to 10 percent of local WIA dislocated worker funds as local activity funds to use for incumbent worker training only as part of a layoff aversion strategy. These Local Activity Funds may only be used to train incumbent workers for the purpose of layoff aversion.
- *Contracting for Board Performance Measures*
Permits the Commission to develop methodologies that allow greater flexibility in contracting Board performance measures.
- *Common Measures and Integrated Performance*
Permits the Commission to replace the original 17 WIA performance measures with the six common measures.
- *Older and Out-of-School Youth Use of Eligible Training Provider List*
Permits the Commission to allow Boards the option of using the WIA Eligible Training Provider System to secure training providers for older and out-of-school youth through the use of Individual Training Accounts.
- *Extension of Certification Period for Currently Certified Training Programs*
Permits the Commission to extend the period of eligibility for training programs currently certified under the WIA Eligible Training Provider System.
- *WIA Fund Reallocation*
Permits the Commission to reallocate recaptured funds in accordance with state-developed criteria.
- *On-the-job Training Employer Reimbursement*
Permits the Commission to replace the WIA-statutory limit of 50 percent employer reimbursement for on-the-job training with a sliding scale reimbursement percentage that is based on the size of the employer.

E. Do any of your agency’s functions overlap or duplicate those of another state or federal agency? Explain if, and why, each of your key functions is most appropriately placed within your agency. How do you ensure against duplication with other related agencies?

Because the Texas Workforce Commission is so integrated across programs and through its many partnerships, there is little duplication of effort. Through collaboration and regional partnerships, TWC seeks ways to maximize its funding and draw down additional federal funds when possible.

TWC provides Veterans Resource and Referral Specialists through its Texas Veterans Leadership Program to work in collaboration with the Texas Veterans Commission (TVC) to assist veterans returning from Iraq and Afghanistan. TWC and TVC representatives are collocated with Workforce Solutions offices and numerous community partners to provide services to veterans. TWC does not have unique funding sources for veterans because they are served under any available and appropriate program for which a veteran is eligible, just like any other job seeker. Examples of these programs include the Workforce Investment Act (WIA) and Employment Service (ES) under Wagner-Peyser. In addition to our partnership with TVC in serving the military veteran population, we also recognize other agencies such as Vocational Rehabilitation that offer vocational training to targeted populations.

F. In general, how do other states carry out similar functions?

Other states have greater difficulty in creating an integrated workforce system. Texas benefits from legislation enacted in 1995 that created the Texas workforce system as we know it. Congress recognized the strides Texas made when it passed the Workforce Investment Act of 1998, and provided Texas the opportunity to maintain its workforce system through a number of “grandfather” provisions.

Although WIA was enacted in 1998, other states still struggle with integrating just Wagner-Peyser and WIA, much less TANF and SNAP employment and training programs. In many states, Wagner-Peyser Employment Services are in one agency and WIA services are in another agency. Because there is no common administrative agency at the state-level, just ensuring ES and WIA staff are both located in one-stop has been a challenge in many states.

G. What key obstacles impair your agency’s ability to achieve its objectives?

TWC recognizes the challenges of preparing the Texas workforce for the high-skill, high-wage, in-demand jobs that employers in an expanding economy require. Training for current and future workers is limited by reduced funding and restrictive funding streams that hinder an integrated delivery system. High levels of unemployment have placed unprecedented demands on the Unemployment Compensation Trust Fund. Major challenges come as some regions of the state continue to recover from the economic slowdowns. This challenge is compounded by the fact that there has been increased demand for TWC services along with a reduction in federal funds and state resources. In addition, increased costs associated with the state data center and delays in the reauthorization of the Workforce Investment Act (WIA), Temporary Assistance for Needy Families (TANF), and SNAP education and training programs will pose challenges.

Workforce Investment Act (WIA) reauthorization

The 113th Congress has introduced four bills that attempt to reauthorize WIA. In light of the WIA statewide activity fund reductions, TWC strongly believes that WIA reauthorization should provide greater flexibility for funding and services across all WIA adult, dislocated worker, and youth populations. Specifically, HR 803 by Foxx proposes the creation of a flexible Workforce Investment Fund to consolidate funding streams

In the Senate, the WIA reauthorization bill S 1356 by Murray provides for additional flexibility for states, allowing 100 percent flexibility between adult and dislocated workers and restores statewide activity funds to 15 percent plus 5 percent for administration.

Temporary Assistance for Needy Families (TANF) Reauthorization

Under the existing TANF law, states are afforded the flexibility to design services that meet one of the four purposes of TANF. TWC is hopeful that this flexibility will be retained in future TANF reauthorization legislation. TWC also supports the flexibility granted to states to define income eligibility under TANF Purposes 1 and 2, which are limited to “needy” families (“needy” being defined by the states). In addition, TWC encourages an examination of the performance measurements that are used to determine TANF’s success. Currently, success is measured by the number of hours that a TANF recipient participates in allowable activities (“participation rate”). There are no outcome measurements. Congress should consider whether TANF success should be measured based on outcomes (e.g. employment and job retention) instead of the more process-driven participation rate measures.

Proposed TANF Revisions – Submitted by TWC

Outcome Driven

Revisions to the existing TANF participation rate measure to focus on outcomes rather than on process. Currently, the participation rate measures how many hours a TANF recipient is engaged in activities to become employed. There is no measure which looks at actual employment outcomes.

Flexibility

Continued flexibility for states to design programs within the four statutory purposes of TANF. This has given states the latitude they need to design services that meet a state’s individual needs. For example, TWC has used this flexibility to support:

- Supervised afterschool programs that combine workforce concepts, and meet TANF Purpose 3 (prevention and reduction of out of wedlock births) – great opportunity to build in STEM related concepts into this type of program.
- NCP initiative (TANF Purpose 4)
- Self-Sufficiency Training and Apprenticeship Training for low-income adults with kids (TANF Purpose 2)

Continued flexibility for states to define income eligibility for program and services offered under TANF purposes 1 and 2. For example, Texas’ TANF Emergency Contingency Fund summer employment program was able to use existing flexibility regarding income eligibility to reduce the administrative burden of making these determinations. This was accomplished by establishing some presumptive income eligibility criteria which relied on other means tested programs, like:

- Household receives TANF benefits
- Household receives *Supplemental* Nutrition Assistance Program (SNAP) benefits
- Youth receives Children’s Health Insurance Program (CHIP) benefits
- Youth receives Medicaid benefits

- Household receives subsidized child care through the Child Care and Development Fund
- Household is eligible for or receives subsidized public housing assistance
- Household participates in the U.S. Department of Agriculture Food and Nutrition Services' Women, Infants, and Children (WIC) program
- Youth receives free or reduced-cost school lunch
- Youth is eligible for, or enrolled in, WIA youth services
- Youth whose family income is 200 percent of or below the U.S. Department of Health and Human Services' Poverty Guidelines or the U.S. Department of Labor's Lower Living Standard Income Level

Congress has introduced three bills relating to SNAP reauthorization. Currently, no bill has passed both chambers of Congress. The current SNAP authorization expires September 30, 2013. Failure to reauthorize would inhibit TWC's ability to provide employment and training services for SNAP recipients.

H. Discuss any changes that could impact your agency's key functions in the near future (e.g., changes in federal law or outstanding court cases).

The agency does not anticipate changes to its key functions, however, several factors may influence the implementation of our strategies and goals, including:

Economic Factors

Economic factors such as those listed below, will continue to influence the labor market:

- Job growth and economic conditions
- Industries demanding new skill sets from workers
- Changing demographics of the labor force
- Globalization providing new business opportunities and labor force challenges

Effects of Potential Changes In Federal Law

The potential changes in federal law may impact service delivery for workforce development.

- Appropriations
- Middle Class Tax Relief and Job Creation Act of 2012
- Workforce Investment Act Reauthorization
- Temporary Assistance for Needy Families
- Trade Adjustment Assistance

The demands on the federal budget could seriously limit the Texas workforce system's funding. Additional challenges arise from the manner in which federal funds are distributed. Each federal program has separate funding streams with built-in limitations on eligibility criteria. While TWC and the local boards comply with the requirements, the program restrictions hinder Texans' access to one-stop services. Conversely, an increase in funds directed to a particular program could cause required staffing increases or other changes.

Changes from the Texas Legislature

TWC executive management is attentive to any legislative changes that may affect workforce development so opportunities are maximized and laws are enforced. These changes may also create an increased focus and need to ramp up skill sets to meet the legislative requirements. Examples include:

- | | |
|------------------------|--------------------------|
| • Career Schools | • Unemployment Insurance |
| • Regulatory Integrity | • Workforce |

I. What are your agency's biggest opportunities for improvement in the future?

Continuous improvement is and has been critical for TWC to be responsive to the workforce needs in our state. The agency has demonstrated this through improved internal processes that have resulted in faster service delivery to our customers and better flow of information to our partners.

From streamlining grant application processes to offering more convenient online service delivery options for both job seekers and employers, TWC has made continuous improvement part of the agency's culture. Adapting to the changing technological needs of employers and job seekers is an example of how TWC seeks to improve its service delivery. The agency recently began offering an online appeal process option for both claimants and employers. The online appeals already accounts for a third of all appeals received by the agency.

Rapid Process Improvement Pilot Project

While the culture of continuous improvement has always existed at TWC, in 2011 through Senate Bill (SB) 563, enacted by the 82nd Texas Legislature, Regular Session (2011), Texas Workforce Commission (TWC) was charged with establishing a pilot program to improve the efficiency and quality of operations while reducing costs. SB 563 required a structured and defined methodology, a continuous improvement technique, and a measurement system analysis associated with Lean Six Sigma. TWC selected the Work Opportunity Tax Credit (WOTC) program as the pilot program and applied the Integrated Theory of Constraints Lean Six Sigma (ITLS) methodology to initiate, implement, and measure efficiency and quality improvements.

Continuous improvement took on a whole new meaning within TWC once management teams began training and learning how to apply principles of Integrated Theory of Constraints and Lean Six Sigma (ITLS).

Lean principles focus on the evaluation of each process within an organization and identification of the throughput, or product output, in order to pinpoint constraints in that process. The principles of lean process improvement are well known throughout the manufacturing industry, but how would they be applied to a state agency?

Background

Work Opportunity Tax Credit Program (WOTC)

The Internal Revenue Service (IRS) issues a work opportunity tax credit to employers based on eligibility decisions made by the U.S. Department of Labor (DOL) through state workforce agencies. As the state's workforce agency, TWC determines whether an employer qualifies for the tax credit based on the employer's hiring of eligible workers within specified target groups of individuals typically having barriers to employment. The number of applications has increased year-over-year, affecting WOTC's ability to respond timely to employer applications. For Calendar Year 2010 (CY 2010), employers submitted 262,356 applications. Of those, WOTC processed 157,578, or only 60 percent, by the 2011 tax filing deadline.

TWC selected the WOTC program as the pilot program to solve the following problem:

The number of applications appeared to exceed WOTC's capacity to make determinations and respond timely to employers. Further, federal funding for administration of the program is shrinking while the number of applications is increasing. As a result, process efficiencies are necessary to increase the program's capacity to respond timely to employer applications within available funding limitations.

The pilot's goal was:

To increase the number of applications processed and reduce the amount of time in days to process employer applications within current and future funding, enabling employers to include tax credit certifications with that year's tax filing.

Pilot Results

By applying the ITLS methodology, the pilot succeeded in increasing the number of applications processed and in responding to employers regarding eligibility for possible tax credits faster. Improvements implemented during the pilot eliminated several significant delays in the processing of applications resulting in periodic surges in performance due to the processing of backlogged cases. The pilot resulted in the following operational improvements:

- 48 percent decrease in the average number of days, from 194 days to 101 days, and a sustained increase in the number of determinations per month
- 60 percent decrease in the processing backlog, from five months, to less than two months
- 45 percent increase in the percentage of applications processed by the tax filing deadline, from 60 percent for CY 2011, to 87 percent for CY 2012
- The increase in the number of determinations, with a decreased average number of days to determination, resulted in a 55 percent increase, or \$97 million, in maximum potential tax credit value to employers between October and June comparing Federal Fiscal Year 2011 (FFY 2011) to FYY 2012. The comparative amounts are \$175 million (2011) and \$272 million (2012).

The increased capacity to issue more determinations with existing resources resulted in a reduced cost per determination. The reduction in cost per determination reflects the program's ability to manage increasing numbers of applications within a shorter time frame and without potential staff and automation costs needed to produce the same results prior to the pilot. Until program operations stabilize, the cost per determination will fluctuate; however, sustained improvements position TWC to operate within budget limitations.

Improvements Generating Results

During this time, TWC also voluntarily launched another Rapid Process Improvement (RPI) project in the Commission Appeals office and expanded RPI training to include members from most of our Divisions. The objective was to leverage the improvement capabilities RPI would bring to TWC. Practitioners from across the Agency, and prompt additional use of RPI methodology, enabled TWC to build a sustainable base of trained practitioners and to consolidate the benefits RPI brought to the Agency.

The results of both RPI projects were impressive. The WOTC project team reduced the average customer wait time from 194 days to 101 days and the Commission Appeals project team reduced the average time to make a decision and mail it from a 54 day average to 39 days. This achievement enabled the TWC Commission Appeals team, for the first time in over 10 years, to accomplish the Department of Labor's 40 day standard for case age averages.

A Window of Opportunity: Meeting the Financial Challenges of 2016 and 2017

TWC anticipates continued funding challenges 2016 and 2017, based on shortfalls in federal funding. This shortfall will be largely due to the fact that TWC's funding sources constrict during times of economic prosperity and inversely, TWC funding grows to accommodate our operational responsibilities during trying economic times.

Excess capacity attained throughout its operations through RPI projects may enable the organization a way to continue to meet public demand for our services while seeing a decrease in overall resources. The WOTC RPI experience taught the organization a valuable lesson: It is possible to improve quality and dramatically improve the speed of production while *reducing* the amount of effort it takes to process a

given task. The manager of the WOTC program, before her RPI project started, had requested two additional personnel to keep up with rising demand. Now, after RPI and after a 23% increase in demand, the manager does not need the two additional positions previously requested. The results of the WOTC project demonstrate that freed up organizational capacity can be converted into salary savings. A successful and permanent integration of lean principles may enable TWC to address the lion's share of the anticipated 2016-2017 shortfalls.

In conclusion, there is true zeal and momentum for the RPI initiative at TWC. It has given the organization an intrinsic and sustainable way of systematically addressing gaps. RPI has proven to be a win-win-win enterprise. It is a win for the workplace, because improvements are generated by staff members who know the work, because they are doing the work. RPI is a win for TWC's Divisions and Departments because they are given the training and tools to achieve their objectives and improve their processes. Finally the RPI initiative is a win for the Texans we serve because it offers an opportunity to provide Texans with high quality government services that are faster and cheaper.

Enterprise level RPI projects and future planning

TWC's Executive Management established an RPI Steering Committee to provide strong organizational support for the RPI initiative. The Committee resolves resource contention, facilitates acceptance of rapid change, ensures effective communication, and contributes directly to the establishment of project priorities. The RPI Steering Committee also provides oversight by hearing RPI project presentations, providing advice and guidance to managers new to RPI, and tracks each undertaking in order to sustain the changes. As of July 2013, four RPI projects have concluded. The WOTC, Request for Proposal, Civil Rights Division Equal Employment Opportunity Project. Currently, there is one "enterprise level" IT procurement RPI project ongoing and six large local projects undertaken at the division level or below, also in process.

RPI Project Title	RPI Project Objective	Enterprise or Local
IT Procurement RPI	Reduce cycle time of major IT Procurements	Enterprise
CRD Housing RPI	Improve the fair housing complaint resolution system by resolving cases faster to attain an annual capacity of 450 quality case resolutions.	Local
Trade Readjustment Assistance, Initial Claims RPI	Reduce the TRA claim cycle time and stream line and standardize the claim process	Local
Call Center RPI Operations	Improve for Call center operations efficiency in order to reduce the claimant wait-time	Local
Benefits Overpayments RPI	Improve staff capacity to rapidly recover overpayments and meet the high communications volume	Local
Tax Adjustment Unit RPI	Reduce the time to process adjustment reports on employer accounts	Local
Appeals RPI	Enable Appeals to rapidly assign cases to hearing officers to improve the overall Appeals cycle time	Local

The power of integrated methodologies: Incorporating Theory of Constraints (TOC) Lean, and Six Sigma methodologies to accomplish government improvement

For the past 15 years government organizations have incorporated Lean and Six Sigma tools with varying levels of success and sustainability. The above chart briefly outlines the major elements of the three methodologies. There is a tendency in government to be distracted by critical and immediate, but nonetheless legitimate, demands. Despite our best efforts to struggle free, we often continue to find ourselves tied down by all the demands that pull us in different directions every day.

It is important to recognize that robust integration of TOC into the Lean and Six Sigma methodologies is a dramatic countervailing force against the above phenomenon. TOC has enabled TWC to focus on what is important by dramatically demonstrating and proving to all participants that any positive change at the point of constraint will benefit the entire organization. And, conversely, that well-meaning improvements efforts which *are not* at the point of constraint usually provide little to no benefit and, at times, actually inhibit or further delay the process. For example, an RPI project participant might observe, “if we only were more effecting taking in more qualified applicants and ensuring their applications were complete, we could begin to speed up and improve our processes.” Yet, unless intake is the constraint of the system, such well-intentioned improvements will only glut the entire process with WIP (work-in-process) and delay the entire process cycle time in accordance with Little’s Law (the cycle time is equal to the amount of WIP over the rate of production [of a single item]). In this situation improvement at intake is worse than meaningless; it is harmful to the process.

Government improvement teams often have very limited time and effort to bring to bear before they are taken off course by pressing issues and urgent calls for action. Improvement efforts are diluted, are relegated to the “flavor of the day,” and lose their impact. With the changes apparently temporary, there is a temptation to wait-out the change in government because we know it is only a matter of time before the improvement focus dissipates. When TOS and TOC is applied, they help maintain focus on the most important process (the constraint) and thus works to combat the short-term focus on improvement all too prevalent in government.

The Agency’s efforts with Rapid Process Improvement (RPI) will help ensure that the Agency is able to function at maximum capacity. Recognizing that Department of Labor funding (Wagner-Peyser and WIA) for basic/core functions is not likely to increase, RPI becomes critical.

J. In the following chart, provide information regarding your agency's key performance measures included in your appropriations bill pattern, including outcome, input, efficiency, and explanatory measures.

**(Texas Workforce Commission)
Exhibit 2: Key Performance Measures — Fiscal Year 2012**

Key Performance Measures	FY 2012 Target	FY 2012 Actual Performance	FY 2012 % of Annual Target
Customers Served - Job Seekers	1,900,000	1,548,539	81.50%
Entered Employment Rate	68.00%	69.09%	101.60%
Employment Retention Rate	78.50%	82.21%	104.73%
Choices Participation Rate (Single-Parent Families)	40.00%	30.73%	76.83%
% of UI Claimants Paid Timely	95.00%	96.62%	101.71%
% of UI Disputes Resolved - Lower Appeal	84.00%	81.82%	97.40%
WIA Customers Served	38,148	31,661	83.00%
Choices Customers Served	48,088	43,866	91.22%
Employment Services Customers Served	1,814,500	1,496,475	82.47%
SNAP E&T Customers Served	31,251	49,579	158.65%
RIO Customers Served *	0	0	n/a
# of Apprentices Served	3,600	3,855	107.08%
Skills Customers Served **	20,609	16,946	82.23%
Self-Sufficiency Customers Served **	1,714	123	7.18%
Avg # Children/Day Choices	8,896	8,450	94.99%
Avg # Children/Day Transitional & At-Risk	101,949	102,113	100.16%
# of Monitoring Reviews	72	73	101.39%
# of On-site Child Labor Inspections	2,600	2,523	97.04%
# of Licensed Career Schools	475	532	112.00%
WIA Avg Cost/Customer Served	\$3,100.00	\$3,214.45	103.69%
Choices Avg Cost/Customer Served	\$1,668.00	\$1,864.98	111.81%
Employment Services Avg Cost/Customer Served	\$14.96	\$22.20	148.40%
RIO Avg Cost/Customer Served *	0	0	n/a
Skills Avg Cost/Customer Served **	\$1,420.00	\$1,407.75	99.14%
Self-Sufficiency Avg Cost/Customer Served **	\$1,400.00	\$1,652.91	118.07%
Avg Cost/Child Per Day Choices	\$21.93	\$21.51	98.08%
Avg Cost/Child/Day Transitional & At-Risk	\$16.09	\$16.35	101.62%
Avg Time on Hold Tele-centers (minutes)	8.53	8.23	96.46%

* For SFY 2012, no funding or performance targets were established for the RIO program.

** Designates a performance measure that has been replaced with a new measure for the FY 2014-15 biennium.

III. History and Major Events

Provide a timeline of your agency's history and key events, including:

- **the date your agency was established;**
- **the original purpose and responsibilities of your agency;**
- **major changes in responsibilities or statutory authority;**
- **changes to your policymaking body's name or composition;**
- **significant changes in state/federal legislation, mandates, or funding;**
- **significant state/federal litigation that specifically affects your agency's operations; and**
- **key changes in your agency's organization (e.g., a major reorganization of the agency's divisions or program areas).**

HISTORY AND MAJOR EVENTS

The Texas Workforce System Takes Shape

In 1995 Texas' workforce programs began to consolidate into a single, integrated system known today as Texas Workforce Solutions, coordinating among state and local levels.

HB 1863 took effect in September 1995, merging 28 workforce programs across a number of state agencies into a singular agency called the Texas Workforce Commission (TWC). In October 1995 Governor George W. Bush administered the oath of office to the first members of the new Texas Workforce Commission. In November 1995 the Commission selected the agency's Executive Director and proposed draft rules for certifying Local Workforce Development Boards (Boards).

By June 1996, funding, employees and programs from the Texas Department of Commerce, the Texas Education Agency, the General Services Commission, the Texas Employment Commission, the Texas Department of Criminal Justice, the Texas Department on Aging, the Texas Department of Human Services, the Texas Council on Workforce and Economic Competitiveness, the Texas Youth Commission, and the Texas Higher Education Coordinating Board were transitioned to the Commission.

In addition to employees and programs coming under the single roof of TWC, a statewide network of local workforce development boards, separate from but working in conjunction with TWC, took shape in the late 1990s. In March 1997 the North Central Texas Workforce Board opened the first Texas Workforce Center. In June 1997 the first Board, Dallas, received a contract to operate workforce programs.

In 1997 an automated, centralized database known as The Workforce Information System of Texas (TWIST) became operational. TWIST continues to serve today as a system for communicating client information between local workforce centers and the state office. TWIST has established an integrated case management and reporting system for employment and training services.

In July 1999, TWC became the state entity in charge of implementing the federal Workforce Investment Act. By September 1999 all 28 local Workforce Development Areas (WDAs) had achieved certification. By January 2000, all 28 LWDBs were operational and managing workforce programs.

In August 2001, more than 240 Texas Workforce Centers and satellite offices offered services to employers and local job seekers and workers.

TWC and the 28 Boards, which together comprise Texas Workforce Solutions, worked closely together to provide workforce services to their customers, including programs designed to remove barriers to employment. Included among such programs was Child Care services, which TWC administered to more than 100,000 children per day from January 2001-02, and still administers today.

TWC continued to move closer to full integration. During state Fiscal Year 2003, TWC transitioned services under the Trade Act and Project Reintegration of Offenders (RIO) to the LWDBs. In September 2003, the Boards and their contracted service providers assumed full day-to-day direction of State Wagner-Peyser Employment Service (ES) and Veteran Services staff and will share in the administrative oversight of this staff. While TWC maintains administrative responsibility, contracted (service provider) management staff share many of the administrative functions such as assigning individual performance measures, coordinating the hiring process, initiating disciplinary action, and evaluating staff performance.

In January 2005 the Commission revised its rules to give LWDBs the opportunity to review grant applications being submitted to the Commission. This improved the LWDBs' knowledge and understanding of all employment and training programs.

In March 2004, at the direction of the Texas Legislature, the powers and duties exercised by the Texas Commission on Human Rights were transferred to the Texas Workforce Commission Civil Rights Division. Those duties included providing for fair housing practices in Texas, and creating procedures for investigating and settling complaints of discriminatory housing practices.

Continuously Improving Service Accessibility

In 1998 TWC consolidated services and opened seven call centers servicing Texans statewide by telephone while closing over 120 local offices where customers previously stood in long lines to receive services. Since the agency's first sunset review in 2002, TWC has continued to take steps to bring its services up to date with advancing technologies. In February 2002 TWC launched Unemployment Insurance (UI) services online. In June 2004, TWC launched WorkInTexas.com, the official job-matching search engine of the Texas Workforce Commission. Over time TWC introduced internet services for added customer convenience and currently has consolidated into four call centers.

In February 2006 TWC implemented a new employer registration system for WorkInTexas.com, helping ensure that only legitimate employers utilize the website's no-cost employer services. In May 2007, TWC offered claimants benefit payments via debit cards and in June 2010 implemented direct deposit payments for claimants. . And in August 2012, TWC launched the Texas Reality Check website, designed to help youths plan for their future by providing detailed information including cost of living and education and ranges of income in various career fields. Texasrealitycheck.com also features a smart phone application.

Effective Bond Financing

Through authority granted by the Texas Legislature, TWC has implemented effective bond strategies to maintain a stable Unemployment Compensation Trust Fund (Trust Fund) through two economic downturns in the last 10 years. Texas' use of bond sales to replenish its Unemployment Compensation Trust Fund has proven to be a prudent fiscal management practice. Bond sales allow Texas to have more control over the interest rate and the payback period for any debt necessary to replenish the Trust Fund. By issuing bonds over a manageable period, TWC can minimize the impact of rising tax rates for Texas employers.

In 2003 the Trust Fund faced high demand for unemployment benefits as a result of the economic downturn that followed September 11, 2001. The 78th Texas Legislature amended the Texas Unemployment Compensation Act allowing TWC to authorize the issuance of bonds to reduce or avoid

the need to borrow federal dollars at a higher interest rate and continue paying unemployment benefits to qualified claimants.

In September 2003, as requested by TWC, the Texas Public Finance Authority issued \$1.377 billion in revenue bonds within the credit markets to pay unemployment claims in Texas, while avoiding higher costs associated with the borrowing of federal dollars. Those costs would have been paid through higher taxes owed by employers. Then, in 2008, through authority granted by the 80th Texas Legislature, TWC was able to pay off that debt a year ahead of schedule through the use of surplus Trust Fund dollars.

In 2010, in response to the significantly higher number of claims for unemployment benefits as a result of the national economic downturn, TWC again authorized the issuance of bonds to avoid the higher costs to employers. TWC is now on track to pay off all debts associated with this latest issuance by July 2017, two and a half years ahead of schedule. As of January 2011, TWC estimated \$111 million of interest savings through the most recent bond financing (effective interest rate of 2.77%) for the 2010 bond issuance as compared with interest on federal Title XII advances at an interest rate of 4.09%. This strategy has shown it can serve Texans well during times of higher demand on the Unemployment Compensation Trust Fund. Texas has been consulted by other states desiring to implement a similar bond issuance strategy in managing their unemployment funds.

Regulatory Integrity

In March 2005 TWC created the Regulatory Enforcement Division (today known as the Regulatory Integrity Division), to detect and prevent fraud, waste and abuse while enforcing all regulatory statutes within the jurisdiction of the agency, including Tax, Workforce, Trade Act, Skills Development, Self-Sufficiency, Child Care and all other programs administered by the agency.

Helping the Texas Workforce During Times of Disaster

TWC has helped provide relief to Texans and even to residents of a neighboring state in response to disasters. In 2005 TWC and the LWDBs provided hurricane relief to workers and employers in Texas and Louisiana in the wake of Hurricanes Katrina and Rita. In 2005 and 2006 TWC provided disaster aid to workers impacted by wildfires. In August 2006 TWC earmarked \$200,000 in U.S. Department of Labor (DOL) funds to help hurricane evacuees still in need of job training, including for areas with either high densities of Hurricane Katrina evacuees or those directly impacted by Hurricane Rita.

In 2007 provided Disaster Unemployment Assistance to workers in various counties affected by severe storms, flooding and tornadoes.

Then in 2008 TWC and LWDBs provided hurricane relief, including Disaster Unemployment Assistance and \$7.35 million DOL grant.

In 2011 TWC provided assistance to workers impacted by wildfires that began in Bastrop County and impacted over 20 other counties. TWC requested, and DOL approved, \$1.4 million in Disaster Relief Employment as part of a National Emergency Grant.

Serving Texas Veterans

TWC has established a track record of working closely with workforce partners to provide employment and reemployment services to the veterans and service members of Texas. TWC has intervened during instances of Base Realignment and Closure in Texas. In July 2007 TWC received a \$4 million grant from DOL to assist communities with workforce transitions during base realignments and closures in various parts of Texas, including closures in the Coastal Bend and North East Texas. In December 2008 TWC received a \$5 million DOL grant to assist communities with workforce transition for base realignment and closure.

In April 2008, under Gov. Rick Perry's leadership, TWC established the Texas Veterans Leadership Program to connect returning veterans of Iraq and Afghanistan with the resources and tools they need to successfully transition from military to civilian life.

In July 2011 Gov. Perry launched the TWC-administered College Credit for Heroes (CCH) program by signing SB 1736 by Sen. Leticia Van de Putte, to maximize academic credit awarded by higher education institutions to veterans and military service members. In June 2013, six new partner schools joined CCH and the program was expanded to offer accelerated curricula in new career fields including information technology, firefighting, advanced manufacturing, logistics, wind engineering and oil field technology in addition to allied health fields.

In November 2012, more than 1,100 employers participated in the Hiring Red, White & You! job fairs for veterans and military spouses hosted by the Texas Workforce Commission and its 28 Workforce Solutions partners, the Texas Veterans Commission, and the Texas Medical Center. The statewide job fair encouraged Texas employers to help veterans in Texas transition into the civilian workforce. The events were held at large venues like Rangers Ballpark in Arlington and Reliant Center in Houston as well as civic and community centers and military-friendly venues like American Legion Post 54 in Amarillo and the Bryan United States Army Reserve Center. With more than 1.7 million veterans in Texas, these job fairs were part of an unprecedented statewide employment effort in hopes of serving those who have served for us.

Impacting Government Assistance Recipients

TWC also has a track record of positively impacting those who have received assistance from the government either in the form of UI benefits or Temporary Assistance for Needy Families (TANF).

From September 1996 to August 2007 TWC led Texas to a 78 percent reduction in the number of TANF cases. In October 2005 TANF High-Performance Bonuses reached \$78.6 billion.

In February 2010 TWC and the LWDBs launched the Texas Back to Work initiative to offer employers monetary incentive to hire workers receiving Unemployment Insurance. At the conclusion of the program TWC had achieved more than 30,000 job placements.. The initiative was awarded the 2010 Unemployment Insurance Innovation Award by DOL and the National Association of State Workforce Agencies.

Moving Forward: Taking on Adult Education and Literacy

On May 18, 2013, Gov. Perry signed Senate Bill (SB) 307, which transfers the Adult Education and Literacy programs, including Adult Basic Education and English Literacy and Civics, from the Texas Education Agency (TEA) to TWC. Per SB 307, TWC will take over the administration of the Adult Education and Literacy programs on September 1, 2013. The legislation calls for TWC to establish a new allocation methodology by rule, utilize a competitive procurement process to award contracts to local service providers, and create an Adult Education and Literacy advisory committee.

SB 307 directed TWC and TEA to work together to ensure that measures are taken to ensure against any unnecessary disruption of services provided at the local level. To that end, TWC and TEA developed a detailed transition plan, including a timetable with specific steps and deadlines needed to carry out the transfer in compliance with the effective date of the transfer provision, and entered into a memorandum of understanding on July 1, 2013 to execute the transition plan.

TWC believes communication with stakeholders is crucial to a transition that minimizes disruption of services. To that end, TWC engaged in communication with stakeholders across the state throughout the

transfer, and remains committed to continuing those communications moving forward. TWC also held a series of stakeholder meetings over the summer of 2013 to hear from Texans concerning the transfer of the Adult Education and Literacy programs from TEA to TWC, to gather ideas and suggestions about what is currently working well and where there is opportunity for improvement. All meetings were open to anyone from any area of the state.

TWC's Adult Education and Literacy programs will be contained within its Workforce Development Division.

IV. Policymaking Structure

A. Complete the following chart providing information on your policymaking body members.

Texas Workforce Commission Exhibit 3: Policymaking Body			
Member Name	Term/ 6 years Appointment Dates/See Below Appointed by: Governor	Qualification (e.g., public member, industry representative)	City
Andres Alcantar - Chairman	Appointed 2-15-13 Expires 02-01-19	Commissioner Representing the Public	Pflugerville
Ronald G. Congleton	Appointed 02-03-11 Expires 02-01-17	Commissioner Representing Labor	Austin
Hope Andrade	Appointed 03-07-13 Expires 02-01-15	Commissioner Representing Employers	San Antonio

B. Describe the primary role and responsibilities of your policymaking body.

The three-member full-time Commission (Texas Labor Code § 301.002) is appointed by the Governor, one each representing employers, labor, and the public. Together, the Commissioners develop policy and oversee the functioning of TWC

The Commissioners approve the budget recommendations to the legislature as well as the agency's operating budget; allocate funding to the 28 Local Workforce Development Boards for the development of a highly skilled and productive workforce; perform as final decision makers in disputes between employers and claimants regarding unemployment compensation and wage claims; set policy and provide guidance as related to the Unemployment Trust Fund; and propose and adopts rules necessary to administer the programs designated to the Commission by the Legislature. The Commissioners also engage in supporting economic development and education partners through strategies designed to develop a highly skilled workforce to promote job creation, attraction, and expansion.

C. How is the chair selected?

Texas Labor Code § 301.006 provides that the governor shall designate the chair of the Commission from among the members of the Commission. The chair shall serve in that capacity for a two-year term. The governor may re-designate the same member to serve consecutive terms.

Notwithstanding the previous selection, the member of the Commission who represents the public shall serve as chair when the Commission acts under Subchapter D, Chapter 212 in Commission hearings involving unemployment insurance issues regarding tax coverage, contributions, or reimbursements and address wage claims under Chapter 61.

D. List any special circumstances or unique features about your policymaking body or its responsibilities.

State law delineates the broad responsibilities of each individual Commissioner, providing that one of the members of the Commission represents employers, one represents workers, and one represents the public. Moreover, the public member of the Commission may not be an officer, employee, or paid consultant of a labor-oriented or employer-oriented trade association while the member serves on the Commission. A person who is required to register as a lobbyist under Chapter 305, Government Code, may not serve as a member of the Commission while so registered.

By ensuring that each constituency is represented on the Commission, the Legislature ensured that all rules and policies would be fairly debated and decided. The Commission meets weekly in order to adjudicate appeals of claims for unemployment compensation, resolve taxation disputes, and address wage claims. Frequent meetings also ensure that strategies are in development and reflect the current economic conditions.

The Commission is designated as the agency of this state for implementation of the Wagner–Peysner Act and the Workforce Investment Act of 1998. The Commission and executive director shall cooperate with the Secretary of Labor under the Social Security Act by making reports in the form and containing information required by the secretary, and by complying with provisions the secretary finds necessary to ensure that the reports are correct and verified. The Commission and executive director shall comply with the regulations prescribed by the secretary governing the expenditures of funds allotted and paid to the state under Title III of the Social Security Act. The Commission may provide reasonable cooperation to each agency of the United States charged with the administration of any unemployment insurance law.

State law sets guidelines regarding the functions of the commission and staff. In administering its functions under Section 301.0015 of the Labor Code the commission shall limit its activities to setting commission policies, including policies that clearly separate the policymaking responsibilities of the commission and the management responsibilities of the executive director and commission staff; giving general direction to the executive director regarding the implementation of the commission's policies, and holding the executive director accountable for implementing the policies.

In administering its functions the commission, acting as a governmental body, or an individual member of the commission may not direct the day-to-day operations of the executive director or other commission staff; or establish the details for the implementation of commission policies or direct the executive director or other commission staff about those details.

E. In general, how often does your policymaking body meet? How many times did it meet in FY 2012? In FY 2013?

In general, the Commission meets weekly in open meeting to discuss and rule on tax liability cases, higher-level appeals in wage claim cases, higher-level appeals in unemployment compensation cases and policy matters. The Commission additionally holds work sessions regarding performance measures, IT projects and other issues. All open meetings are posted to the Texas Register and the Agency's website. Below is a list for FY 2012 and FY 2013 (as of July 30, 2013).

FY 2012:

Commission Meetings: 41

Performance Measure Meetings: 4

IT Work Sessions: 4

General Work Sessions: 4

FY 2013:

Commission Meetings: 48

Performance Measure Meetings: 4

IT Work Sessions: 4

General Work Sessions: 4

F. What type of training do members of your agency’s policymaking body receive?

The TWC Office of General Counsel (OGC) provides one-on-one training to new Commissioners covering mandatory training set out in Texas Labor Code Section 301.0075. Specifically, the Commissioners, prior to taking oath, are trained on legislation that created the Commission, programs operated by the Commission, role and functions of the Commission and rules of the Commission including but not limited to rules that relate to disciplinary and investigation authority. The training also covers the TWC budget, the results of recent formal audits and requirements of the Open Meetings Act and Public Information Act. The training covers rulemaking requirements and other requirements of the Texas administrative procedure laws as well. In addition the training covers other laws relating to public officials such as reporting requirements, conflicts of interest and provisions relating to lobbying. TWC ethics policies as well as the Texas Ethics Commission requirements are also reviewed with the new Commissioners in the training. The training is complimented by a Computer Based Training that the Commissioners may review and refer to at their convenience.

G. Does your agency have policies that describe the respective roles of the policymaking body and agency staff in running the agency? If so, describe these policies.

Requirements outlining the respective roles of the Executive Director and Commission are laid out in statute: Labor Code Sections 301.0015, 301.041, 301.061, 302.002 and 302.021. These provisions are communicated directly to the Commissioners through Commissioner training identified above. Further operational details are provided to agency staff through Office of General Counsel advice and training on complying with Open Meetings Act, Rulemaking and policy development guidance.

H. What information is regularly presented to your policymaking body to keep them informed of your agency’s performance?

The Commissioners’ offices receive a regular weekly policy briefing from agency staff. These briefings cover agency and board performance, establishing performance measures, rulemakings, allocation of grants and other policy issues linked to the Commission docket agenda.

The Commissioners receive from agency staff a formal compilation of economic, financial and performance measures data regarding the workforce solutions system. The following is what is typically contained in the materials and briefed in a quarterly performance meeting:

- TWC’s Labor Market & Career Information department provides the Texas and National Economic Situation Reports which provide information about general economic and employment trends.
- TWC’s Finance department provides the Monthly Legislative Report and other financial reports that detail the agency’s financial situation.
- TWC’s Performance Analysis & Reporting department provides performance measure data for both TWC and for the Local Workforce Development Boards including both measures reported federally and to the Legislature & Governor’s Office as well as other measures developed by TWC for management purposes.
- TWC UI Division provides additional UI Ad Hoc measures.
- External Relations provides a copy of the Customer Complaint Report.

The quarterly performance meeting is an open meeting every quarter coinciding with quarterly reporting to the Legislature and Governor's Office, and is an opportunity for staff to present and answer Commissioner questions.

These meetings are broadcast on the internet so that the Local Workforce Development Boards and other stakeholders can listen to the discussion and hear the Commissioners' thoughts and concerns first hand.

The Commissioners are also briefed regarding ongoing Information Technology projects in a quarterly open meeting, and hold other various work sessions to cover budget discussions, legislation, and strategic planning.

I. How does your policymaking body obtain input from the public regarding issues under the jurisdiction of the agency? How is this input incorporated into the operations of your agency?

The Commission continuously obtains stakeholder input through a number of methods, including meeting with local workforce development board members and executive directors. Furthermore, the Texas Association of Workforce Boards (TAWB), which is composed of the 28 local workforce development boards and more than 750 business, education and community leaders, is a key stakeholder in workforce development in Texas. The Commissioners participate in TAWB's quarterly meetings to discuss current economic and workforce development issues.

The Commission also participates in a number of public hearings to solicit input from constituents, stakeholders and partners. Examples include hearings held for federal plans such as the Child Care and Development Plan, the Workforce Investment Act (WIA) 5-Year Plan, and transfer of Adult Education and Family Literacy Act (AEFLA) programs to TWC.

TWC policies are developed in consideration of Negotiated Rulemaking principles, which are communicated to the commissioners and agency staff in the Office of General Counsel Numbered Letter GC-7-2003:

- Commission-approved policy concept documents are posted on the TWC Intranet web page for partners, including the local workforce development boards. This is located on the TWC Intranet on the "Pending Proposed Rules and Project Page". The item remains posted while the policy is in development.
- Commission-approved policy concept documents are also emailed to the workforce board executive director's distribution list, TWC staff, Commission staff, and to agency partners that include HHSC, DFPS, and DARS.
- Commission-approved policy concept documents are typically discussed as an agenda item on the Friday conference calls with the local workforce boards to lay out the concept in more detail and informally respond to questions and receive feedback about the policy while it is still in the development stage. This process is used for rulemaking and procedure changes that may impact agency partners.

Proposed rules are posted on the TWC web page and are published in the Texas Register. Comments are distributed to the rules and policy concepts distribution list.

TWC has also adopted a resolution affirming the TWC's commitment to encouraging the public to appear before the Commission and speak on any issue within the jurisdiction of the Commission. Specifically, the resolution was adopted November 18, 2003, and is posted on the TWC web site at:

<http://www.twc.state.tx.us/twcinfo/pubcomment.html>. It states, as follows: **A RESOLUTION AFFIRMING THE COMMITMENT OF THE TEXAS WORKFORCE COMMISSION TO ENCOURAGE THE PUBLIC TO APPEAR BEFORE THE COMMISSION AND SPEAK ON ANY ISSUE WITHIN THE JURISDICTION OF THE COMMISSION.** **Whereas**, the Texas Workforce Commission (the "Commission") includes a public comment item on the agenda of each of its regular public meetings; and the Commission posts notice of all of its public meetings with the Texas Register and Commission web site; **Whereas**, the Commission has always and continues to encourage and provide the public with a reasonable opportunity to appear before the Commission and to speak on any issue under the jurisdiction of the Commission; and **Whereas**, in accordance with Section 3.06, Senate Bill 280, 78th Texas Legislature, Regular Session, 2003, codified in part as Texas Labor Code Section 301.061, the Commission is directed to provide the public with a reasonable opportunity to appear before the Commission and speak on any issue under the jurisdiction of the Commission. **NOW, THEREFORE**, the Commission hereby **DETERMINES** and **RESOLVES** that:

1. The Commission agenda for its regular meetings posted under the Open Meetings Act will continue to have an item designated as Public Comment, and under that item the public shall have a reasonable opportunity to appear before the Commission and speak on any issue under the jurisdiction of the Commission;
2. The Commission will add language to its Public Comment agenda item that the public is invited to comment regarding any agenda item on the posted agenda of the Commission as well as any issue under the jurisdiction of the Commission;
3. The Commission will add notice to its public web site that the public has reasonable opportunity to comment at each regular Commission meeting under the Public Comment item;
4. Public Comments at Commission meetings may be limited to a reasonable number, frequency, and length; however, the Commission does not and will not discriminate among speakers for or against a particular point of view; and
5. This Resolution is adopted at a meeting open to the public, in which public notice of the time, place and purpose of the meeting was given as required by Chapter 551 of the Texas Government Code.

Public Comments received are distributed to a distribution list: TWCPolicyComments@twc.state.tx.us. Public comments are circulated to the same distribution as the policy concepts, which include local workforce development boards. Staff label public comments and send them to the Commission offices, TWC staff, and local workforce development boards. Comments are addressed in the rulemaking process.

TWC has adopted rules regarding the rights of individuals to submit a Petition for Adoption of Rules, in 40 TAC Section 800.251-800.255, which states in part at Section 800.253. Submission and Petition Requirements, "Any interested person may petition the Texas Workforce Commission (Commission) requesting the adoption of a rule. Petitioners should submit petitions in writing to the General Counsel of the Commission."

Several federally funded programs administered by TWC also require publication of proposed federal plans and policies for public comment before they can be formally adopted, such as the WIA 5-year plan.

J. If your policymaking body uses subcommittees or advisory committees to carry out its duties, fill in the following chart.

Texas Workforce Commission Exhibit 4: Subcommittees and Advisory Committees			
Name of Subcommittee or Advisory Committee	Size/Composition/How members are appointed	Purpose/Duties	Legal Basis for Committee
Adult Literacy Advisory Committee	<p>The adult education and literacy advisory committee is composed of not more than 9 members, with each member being appointed by the Texas Workforce Commission.</p> <p>Commission members must have expertise in adult education and literacy and may include adult educators, providers, advocates, current or former adult education and literacy program students, and leaders in the nonprofit community engaged in literacy promotion efforts.</p> <p>Members must include at least one representative of the business community and at least one representative of a local workforce development board.</p>	<p>The committee shall meet at least quarterly, report to the commission at least annually, and advise the commission on the development of:</p> <ul style="list-style-type: none"> • policies and program priorities that support the development of an educated and skilled workforce in this state; • statewide curriculum guidelines and standards for adult education and literacy services that ensure a balance of education and workplace skill development; • a statewide strategy for improving student transitions to postsecondary education and career and technical education training; and • a centralized system for collecting and tracking comprehensive data on adult basic education and literacy program performance outcomes; • the exploration of potential partnerships with entities in the nonprofit community engaged in literacy promotion efforts, entities in the business community, and other appropriate entities to improve statewide literacy programs; and • any other issue the commission considers appropriate. 	<p>S.B. 307 Sec. 315.005, 83rd Legislative Session (R)</p>

Name of Subcommittee or Advisory Committee	Size/Composition/How members are appointed	Purpose/Duties	Legal Basis for Committee
Texas Rising Star Advisory Committee	<p>Size: 13</p> <p>Appointed by TWC Executive Director</p> <p>Composition:</p> <p>1 member from TWC</p> <p>1 member from the Texas Department of Family and Protective Services</p> <p>1 member from the Texas Education Agency</p> <p>1 member from the Texas Early Learning Council</p> <p>1 member appointed to a workforce development board (Board)</p> <p>4 members who are TRS providers with different TRS ratings</p> <p>1 child care provider who has participated in the Texas School Ready! Project</p> <p>3 members employed by a Board</p>	<p>To propose to TWC revisions of the TRS rules.</p> <p>The work group shall hold that group's initial meeting no later than November 1, 2013, and shall meet at other times as determined by the presiding officer.</p> <p>The work group shall elect a presiding officer by a vote of the membership of the work group.</p> <p>No later than May 1, 2014, the work group shall submit to the executive director of TWC proposed revisions to TWC's rules relating to the TRS Program.</p> <p>When making recommendations, the group shall consider:</p> <ul style="list-style-type: none"> • Professional development standards for child care directors and employees, including training and annual professional development requirements; • Education and experience requirements for mentors and evaluators; • Early learning and school readiness standards; • Guidelines for infants and toddlers in child care; • Training hours for providers; • Playground standards; • Best practices guidelines based on standards adopted by nationally recognized organizations, including Head Start Program Performance Standards, National Health and Safety Performance Standards, National Association of the Education of Young Children Program Standards and accreditation criteria, National Association of Family Child Care Standards, United States Department of Defense Standards, national accreditation standards, and School Ready Certification Standards; • Research on infant and toddler brain development; • Strategies for the long-term financing of the Texas Rising Star program, including financing payment to child care providers for the following: <ul style="list-style-type: none"> - Incentives for those participating in the program and grant and rewards for achieving and maintaining high levels of service. 	Texas Government Code, Section 2308.321

V. Funding

A. Provide a brief description of your agency's funding.

For the FY 2012-13 biennium, TWC had a total appropriation of \$2.2 billion in All Funds, which provided for 3,312 full-time equivalent employees in FY 2013. For the FY 2014-15 biennium, TWC has a total appropriation of \$2.2 billion and 3,152 full-time equivalent positions for FY 2014 and 3,016 for FY 2015. Nearly 70 percent of the TWC appropriation is block grant allocated to local workforce development areas for workforce boards to deliver workforce and support services throughout the state. Federal Funds account for \$1.9 billion, which is approximately 85 percent of the agency's total appropriation for the FY 2012-13 biennium and FY 2014-15 biennium.

The largest TWC federally-funded program is Child Care Services, which provides child care and child care subsidies to low-income families with parents who are employed or attending workforce training or education. Other major TWC federally-funded programs include Workforce Investment Act (WIA), Unemployment Insurance, Temporary Assistance for Needy Families (TANF), Employment Services, Texas Department of Family and Protective Services (DFPS) child care services (funding passed-through to workforce boards), Supplemental Nutrition Assistance Program (SNAP) Employment & Training, and Trade Act Assistance.

TWC's general revenue appropriations totaled \$223.6 million, or 10.1 percent, of the total agency budget for the FY 2012-13 biennium and \$231.5 million, or 10.6 percent, of the total in the FY 2014-15 biennium. General Revenue-Dedicated funds add \$11.2 million per biennium.

The majority of TWC's general revenue appropriations, approximately 70 percent, are used to match federal funds or satisfy maintenance of effort (MOE) requirements (i.e., \$85.1 million general revenue to match federal Child Care and Development Funds (CCDF), \$55.5 million MOE for CCDF, \$13.7 million MOE for TANF, and \$8.9 million general revenue to match federal SNAP). The Skills Development program, which is a customized skills training program managed directly by TWC, is a notable exception to the use of general revenue funds for satisfying federal funding requirements. TWC's Skills Development program totaled \$48.5 million for the FY 2012-13 biennium and \$48.9 million for the FY 2014-15 biennium.

Selective current and future federal funding level reductions—particularly for Workforce Investment Act (WIA) amounts—present challenges that TWC and Texas Workforce Solutions will need to deal with effectively. WIA amounts made available to Texas (excluding the American Recovery and Reinvestment Act funds) declined from the average from Fiscal Years 2005-2007 by 44 percent to amounts made available in Fiscal Years 2011-13. It appears unlikely that funding levels will recover to that earlier period.

Legislation transferring the state's Adult Education and Literacy program from the Texas Education Agency to TWC (S.B. 307) was adopted by the 83rd Legislature, Regular Session, in concert with Sunset Commission recommendations. Approximately \$71 million appropriated to TEA and covered by a General Appropriations Act (GAA) contingency rider moving the funding to TWC were not included in conclusions or references noted above regarding the TWC FY 2014-15 biennial appropriations.

B. List all riders that significantly impact your agency's budget.

Senate Bill No. 1, 83rd Texas Legislature, Regular Session, Article VII, Texas Workforce Commission

2. Capital Budget.			TWC's Capital Budget is utilized by the agency to repair and maintain its facilities, and to operate complex systems to pay unemployment compensation and collect employer taxes, connect job-seekers with jobs, and collect and report information on services provided.
	2014	2015	
a. Repair or Rehabilitation of Buildings and Facilities	\$ 2,472,004	\$ 2,585,004	
b. Acquisition of Information Resource Technologies	6,655,439	4,575,023	
c. Data Center Consolidation	22,743,709	22,395,090	
Total, Capital Budget	31,871,152	29,555,117	
Method of Financing (Capital Budget):			
General Revenue Fund	198,938	161,541	
GR Dedicated - Unemployment Compensation Special Administration Account No. 165	196,817	160,151	
Workforce Commission Federal Account No. 5026	31,419,597	28,954,425	
Appropriated Receipts	55,800	279,000	
Total, Method of Financing	\$ 31,871,152	\$ 29,555,117	
3. Appropriation: Federal Funds.			
All moneys granted to Texas by the federal government for the administration of the Texas Unemployment Compensation Act or which are now on deposit to the credit of any funds maintained by the comptroller for the Texas Workforce Commission (TWC), and any moneys received for the credit of such funds are hereby appropriated for the purposes authorized by the provisions of the Texas Unemployment Compensation Act and for the purposes for which such moneys were granted. TWC shall		notify the Legislative Budget Board and Governor of any funds and associated staffing received above the amounts appropriated above for the biennium. Acknowledges that because federal funding received to administer the unemployment compensation program are a function of economic conditions that cannot be estimated precisely years in advance, and are needed to be received and expended as quickly as practicable, TWC is authorized to expend such federal funds, providing notice to the LBB and Governor of any such funds and associated staffing in excess of amounts included in the GAA.	
7. Federal Funds Appropriated.			
The Texas Workforce Commission (TWC) is hereby authorized to receive and disburse in accordance with plans acceptable to the responsible federal agency, all federal moneys that are made available (including grants, allotments, and reimbursements) to the state and retain their character as federal funds for such purposes and all fees authorized by federal law, and to receive, administer, and disburse federal funds for federal programs in accordance with plans agreed upon by the TWC		and the responsible federal agency, and such other activities as come under the authority of the TWC, and such moneys are appropriated to the specific purpose or purposes for which they are granted or otherwise made available. Earned federal funds are not considered to be federal funds for the purpose of this section. This rider acknowledges that TWC is a predominantly federally-funded agency, and authorizes TWC to receive and expend federal funds that become available (some of which, and a level for which cannot always be anticipated with precision years ahead of time), as long as pertinent federal requirements are satisfied.	

8. Reappropriation of Federal and Local Funds.	
<p>All funds received by the Texas Workforce Commission from counties, cities, federal agencies, and from any other local source during the 2014-15 biennium, and all balances from such sources as of August 31, 2013, are hereby appropriated for the biennium ending</p>	<p>August 31, 2015, or the purpose of carrying out the provisions of this Act. Earned federal funds are not considered to be federal funds for the purpose of this section. This rider enhances TWC’s ability to manage effectively and maximize federal funds that are awarded with periods of life that extend beyond a single fiscal year.</p>
9. Unexpended Balances for Child Care Funds.	
<p>It is the intent of the Legislature that any additional federal funds received as a result of current efforts to obtain child care funds, be used for child care. Except as otherwise provided, all unexpended and unobligated balances in the area of child care remaining from appropriations for the first year of the biennium to the Texas Workforce Commission (TWC) are appropriated to TWC for the purpose of drawing down all available federal funds for child care. The TWC may transfer unexpended and unobligated balances of General Revenue appropriations to Strategy A.3.3, At-Risk Child Care, in order to match available federal child care funds, which are appropriated to TWC. TWC is subject to the requirements of the Additional Federal Funds rider in this agency's bill pattern for federal child care funds matched with available General Revenue, and TWC shall notify the</p>	<p>Legislative Budget Board and the Governor of the amounts of additional General Revenue used as match and the federal child care funds matched in each year of the FY 2014-15 biennium not later than:</p> <ul style="list-style-type: none"> a. the 10th day after the date the staff of the Legislative Budget Board concludes its review of the findings of fact and forwards those findings of fact along with the conclusions or comments of the Legislative Budget Board staff to the Chair of the House Appropriations Committee, Chair of the Senate Finance Committee, Speaker of the House, and Lieutenant Governor; and b. within 10 business days by the Governor, prior to drawing down the additional federal funds. <p>Provides authority for TWC to transfer any balances of unexpended general revenue from any strategy to Strategy A.3.3 At-Risk Child Care, in order to maximize the matching of any available federal funds for child care.</p>
10. Maximization of Child Care and Development Funds.	
<p>It is the intent of the Legislature that the Texas Workforce Commission cooperate with cities, non-profit organizations, the Texas Education Agency and local school districts to obtain local match necessary to maximize federal funds for child care. In order to maximize the availability of state matching funds for federal child care</p>	<p>funds and to encourage local child care planning and match participation, the commission shall use donated purchase agreements and other funding mechanisms, to the extent allowed by federal law and regulations. Legislative intent rider providing (i.e., among other purposes) that the Legislature wants TWC to maximize all available federal matching funds for child care.</p>

18. Additional Federal Funds.	
<p>No appropriation of federal funds in addition to the estimated amounts above may be expended by the Texas Workforce Commission (TWC) unless:</p> <p>a. TWC files a finding of fact along with a written plan outlining the use and projected impact of the funds on performance measures with the Legislative Budget Board and the Governor and indicating that additional appropriations are required to maintain adequate levels of program performance; and,</p> <p>b. neither the Legislative Budget Board nor the Governor issues a written disapproval not later than:</p>	<ol style="list-style-type: none"> 1. the 10th day after the date the staff of the Legislative Budget Board concludes its review of the findings of fact and forwards those findings of fact along with the conclusions or comments of the Legislative Budget Board staff to the Chair of the House Appropriations Committee, Chair of the Senate Finance Committee, Speaker of the House, and Lieutenant Governor; and 2. within 10 business days of the receipt of the finding of fact by the Governor and the written plan, which should not prohibit the agency from responding in an emergency. <p>Attaches state procedural requirements to authority granted in Rider 7 above.</p>
25. Employment and Training Investment Assessment Reimbursement.	
<p>Amounts appropriated above in Strategy A.4.3, Unemployment Tax Collection, include an estimated amount of \$386,230 in fiscal year 2014 and \$386,230 in fiscal year 2015 in GR-Dedicated Employment and Training Investment Holding Account No. 5128 for the purpose of reimbursing the Federal Government</p>	<p>for collection costs associated with the Employment and Training Investment Assessment in compliance with the collection cost methodology approved by the U.S. Department of Labor. This rider is significant because of federal compliance requirements.</p>
29. Contingent Revenue Career Schools and Colleges Regulation.	
<p>In addition to amounts appropriated above to the Texas Workforce Commission in Strategy B.1.4 Career Schools and Colleges, the Texas Workforce Commission is appropriated any additional revenues (estimated to be \$0) generated through the regulation of career schools and colleges and deposited to the credit of the General Revenue fund (Object Code 3509) in excess of \$1,783,000 in fiscal year 2014 and \$1,762,000 in fiscal year 2015 contained in the Comptroller of Public Accounts Biennial Revenue. Additional</p>	<p>amounts appropriated each fiscal year from any additional revenues may not exceed \$208,000. These funds shall be used for enhancing the regulation of career schools and colleges. No increase in appropriated amounts as specified in this rider shall occur for any year in which the Commission has approved an increase in the annual renewal fee rate.</p> <p>This rider is new for the FY 2014-15 biennium, and may allow TWC's career schools and colleges regulatory program to expand with the industry, as necessary</p>

31. Employer and Community Based Organization Partnerships.	
<p>Out of amounts appropriated above to the Texas Workforce Commission (TWC) in Strategy A.1.4 Employment and Community Services, \$4,000,000 in fiscal year 2014 and \$4,000,000 in fiscal year 2015 in General Revenue Funds shall be used to implement a program with community based organizations in partnership with employers to move Texans off of public benefits and into the workforce. This program will target residents without housing and employment and move them into permanent employment. In selecting a community based organization, the TWC shall consider:</p>	<ul style="list-style-type: none"> a. the number of persons served by a qualifying entity in the program year must be no fewer than 700 unique individuals; b. the number of persons served by a qualifying entity who have obtained regular employment at or above 125 percent of federal poverty income guidelines must be no fewer than 50 percent of the total number of individuals returned to the workforce; and c. the number of employers who will commit to hiring individuals upon exit of the program must be no fewer than 100 employers. <p>In implementing this provision, the TWC may use other requirements deemed appropriate and necessary. This is new for the FY 2014-15 biennium.</p>
<p>REIMBURSEMENTS TO THE UNEMPLOYMENT COMPENSATION BENEFIT ACCOUNT S.B. No. 1, 83rd Legislature, Regular Session, GAA, Article VII Riders for Agency 32A:</p>	
<ul style="list-style-type: none"> 2. Reimbursements to the Unemployment Compensation Benefit Account No. 937; 3. Funding Source for Unemployment Compensation Special Administration Account No. 165; 4. Funding Source for Interagency Transfers to the 	<ul style="list-style-type: none"> Unemployment Compensation Special Administration Account No. 165; 5. Proportionality Requirements for Agency Reimbursements related to Unemployment Compensation Benefits; 6. Cash Flow Contingency
<p>S.B. No. 1, 83rd Legislature, Regular Session, GAA, Article IX:</p>	
<p>Sec. 15.01. Reimbursements for Unemployment Benefits.</p>	
<p>These riders direct and describe the procedure whereby TWC (in its role as “Agency 32A” Reimbursements to the Unemployment Compensation Benefit Account) processes unemployment compensation for former State of Texas employees for whom such payments are appropriate. TWC determines the method of financing for the salaries of such Unemployment Compensation claimants during their relevant state service, and assures that.</p>	<p>similar funding is received by their former employing agencies as reimbursement for their unemployment compensation. In cases where employees had been paid with state general revenue, then the Legislature has determined that Unemployment Compensation Special Administration Account No. 165 shall be appropriated to pay for fifty percent of this liability</p>
<p>Sec. 18.38. Contingency for SB 307.</p>	
<p>Contingent on enactment of Senate Bill 307, or similar legislation relating to the transfer of adult education and literacy programs from the Texas Education Agency (TEA) to the Texas Workforce Commission (TWC), by the Eighty-third Legislature, Regular Session, the TEA shall enter into a Memorandum of Understanding with TWC and transfer to TWC all funds and full-time equivalent (FTE) positions appropriated to TEA for fiscal years 2014 and 2015 that are related to the</p>	<p>administration of adult education and literacy programs (estimated each year to be \$11,885,700 in General Revenue (GR) Funds, \$2,000,000 in GR MOE for Temporary Assistance to Needy Families, \$53,157,189 in Federal Health, Education and Welfare Funds, \$3,800,000 in Federal Funds- TANF for Adult Education and 2.0 FTEs). This GAA Article IX rider (contingent on enactment of S.B. 307) sends appropriations for adult education and literacy programs from TEA to TWC.</p>

C. Show your agency's expenditures by strategy.

Texas Workforce Commission			
Exhibit 5: Expenditures by Strategy - Fiscal Year 2012 (Actual)			
Goal/Strategy	Amount Spent	Percent of Total	Contract Expenditures Included
1.1.1 -Workforce Investment Act	113,881,294	10.5%	
1.1.2 -Workforce Investment Act Youth	52,881,414	4.9%	
1.1.3 -TANF Choices	94,261,136	8.7%	
1.1.4 -Employment & Community Svcs	61,486,403	5.7%	1,174
1.1.5 -SNAP E&T	22,717,668	2.1%	
1.1.6 -Trade Affected Wrkr Tr & Assis	9,818,238	0.9%	
1.1.8 -Senior Employment Services	4,890,073	0.5%	
1.1.9 -Apprenticeship	2,729,055	0.3%	
1.2.1 -Skills Development	23,279,393	2.2%	
1.2.2 -Self Sufficiency	1,449,620	0.1%	
1.2.3 -Labor Market & Career Info	3,730,330	0.3%	79,000
1.2.4 -Work Opportunity Tax Credit	897,343	0.1%	
1.2.5 -Foreign Labor Certification	385,332	0.0%	
1.3.1 -TANF Choices Child Care	51,113,391	4.7%	
1.3.2 -Transitional Child Care	18,750,900	1.7%	
1.3.3 -At-Risk Child Care	425,833,582	39.3%	
1.3.4 -Child Care Administration	5,068,594	0.5%	1,631,912
1.3.5 -Chld Care-Foster Care Families	39,521,214	3.7%	
1.4.1 -Unemployment Claims	73,223,835	6.8%	117,019
1.4.2 -Unemployment Appeals	19,950,300	1.8%	1,217,448
1.4.3 -Unemployment Tax Collection	24,990,862	2.3%	89,866
2.1.1 -Subrecipient Monitoring	2,449,966	0.2%	
2.1.2 -Technical Assistance	4,056,242	0.4%	
2.1.3 -Labor Law Inspections	3,659,754	0.3%	46,732
2.1.4 -Career Schools & Colleges	873,466	0.1%	698
2.2.1 -Civil Rights	1,879,427	0.2%	120
3.1.1 -Central Administration	11,363,925	1.0%	2,159
3.1.2 -Information Resources	5,726,534	0.5%	
3.1.3 -Other Support Services	1,809,980	0.2%	
Grand Total:	1,082,679,273	100.0%	3,186,130

D. Show your agency's sources of revenue. Include all local, state, and federal appropriations, all professional and operating fees, and all other sources of revenue collected by the agency, including taxes and fines.

Texas Workforce Commission	
Exhibit 6: Sources of Revenue - Fiscal Year 2012 (Actual)	
Source	Amount
0001 - General Revenue	37,419,151
0759 - GR MOE for TANF	34,574,493
8006 - GR for Child Care & Dev. Fund	32,563,817
8013 - Career Schools	970,130
8014 - GR Match for Food Stamp Admin	4,430,774
General Revenue Subtotal:	109,958,365
0165 - Special Admin Fund	4,714,755
5128 - ETIA Assessment	386,230
General Revenue Dedicated Subtotal:	5,100,985
0369 - FED Amer Recovery & Reinvest	14,928,390
5026 - Federal Fund	910,311,492
Federal Funds Subtotal:	925,239,882
0666 - Appropriated Receipts	2,531,377
0777 - Interagency Contracts	39,848,664
Total:	1,082,679,273

E. If you receive funds from multiple federal programs, show the types of federal funding sources.

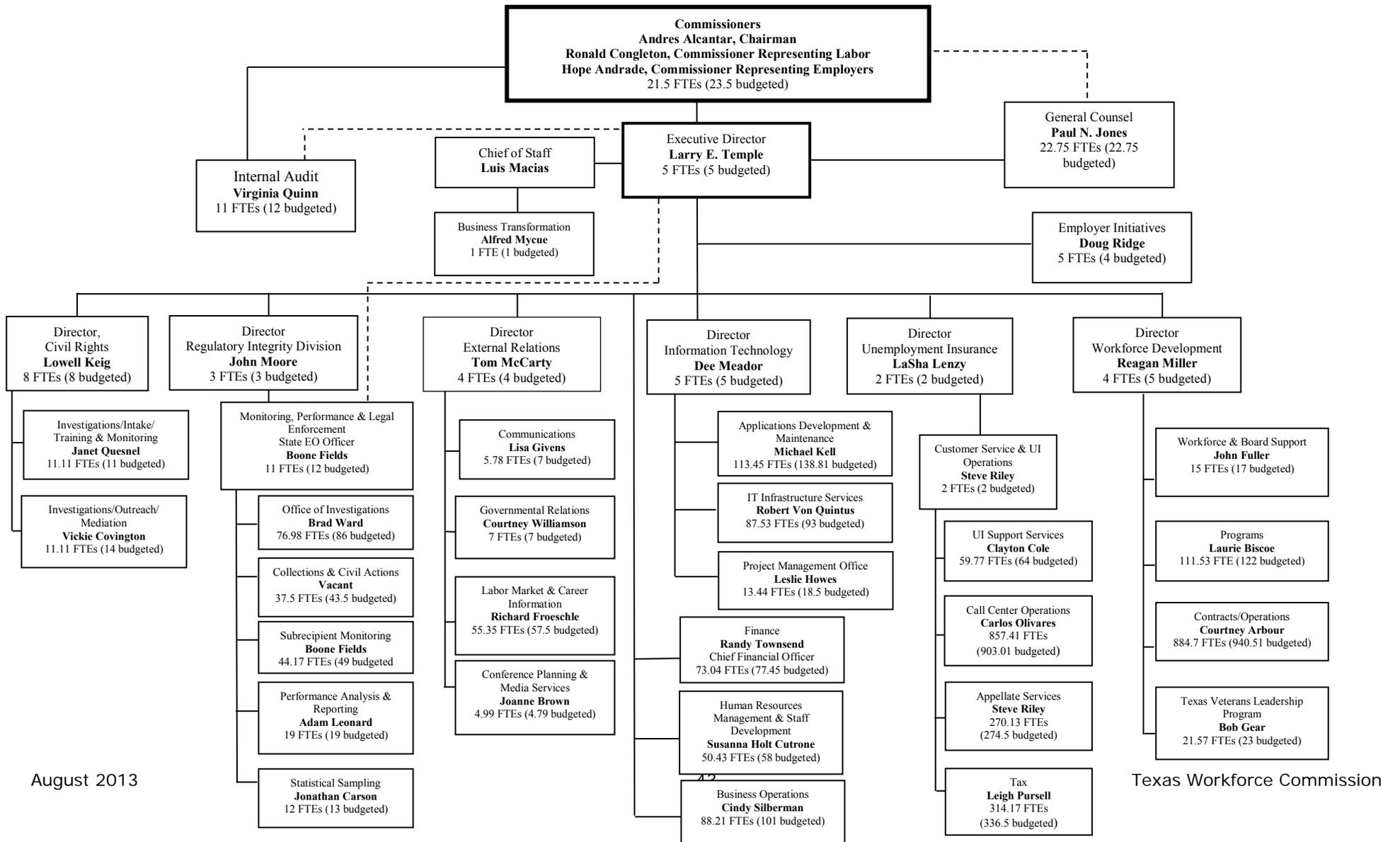
Texas Workforce Commission				
Exhibit 7: Federal Funds - Fiscal Year 2012 (Actual)				
Type of Fund	State/Federal Match Ratio	State Share	Federal Share	Total Funding
10.561 - St Adm Mtch Grants Supp Nutr	50% State/50% Federal	4,430,774	4,250,485	8,681,259
10.561 - St Adm Mtch Grants Supp Nutr	100% Federal		14,610,140	14,610,140
14.401 - Fair Housing Asst Program	100% Federal		890,572	890,572
17.002 - Labor Force Statistics	100% Federal		2,868,296	2,868,296
17.207 - Employment Service	100% Federal		43,367,101	43,367,101
17.225 - Unemployment Insurance	100% Federal		124,618,168	124,618,168
17.225.003 - UI - ARRA - Sp Admin	100% Federal		14,818,412	14,818,412
17.235 - Sr Community Svc Empl Program *	10% State/90% Federal	10,252	4,901,600	4,911,853
17.245 - Trade Adj Assistance - Workers	100% Federal		10,011,089	10,011,089
17.257 - WIA -One-Stop Career Ctr Init	100% Federal		25,030	25,030
17.258 - WIA Adult Program	100% Federal		50,950,378	50,950,378
17.259 - WIA Youth Activities	100% Federal		56,208,450	56,208,450
17.260 - WIA Dislocated Workers	100% Federal		1,053,424	1,053,424
17.260.002 - WIA Dislocated Workers - ARRA	100% Federal		109,978	109,978
17.261 - Emp & Training Admin Pilots	100% Federal		588,918	588,918
17.271 - WOTC	100% Federal		1,001,282	1,001,282
17.273 - Temp Labor Cert Foreign Wkrs	100% Federal		430,841	430,841
17.277 - WIA National Emergency Grants	100% Federal		722,215	722,215
17.278 - WIA Disl Worker Formula Grants	100% Federal		60,337,705	60,337,705
30.002 - Empl Disc St & Local Fair Empl	100% Federal		308,497	308,497
93.558 - Temporary Asst Needy Families	100% Federal		91,238,365	91,238,365
93.575 - Child Care & Develop Block Grt	100% Federal		209,689,323	209,689,323
93.596 - CC Man & Mtch Fnd of the CCDF	100% Federal		59,844,129	59,844,129
93.596 - CC Man & Mtch Fnd of the CCDF *	42% State/58% Federal	32,563,817	170,347,274	202,911,091
93.667.558 - Title XX Trans from TANF	100% Federal		2,000,000	2,000,000
97.034 - Disaster Unemployment Asst.	100% Federal		48,207	48,207
Total:		37,004,843	925,239,882	962,244,726

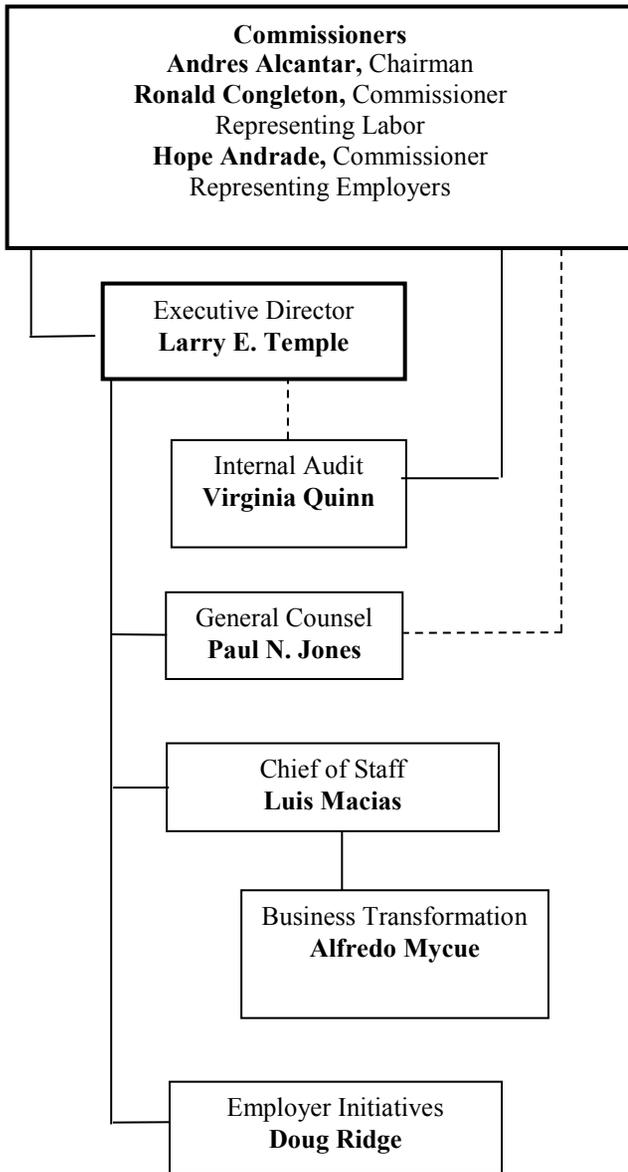
F. If applicable, provide detailed information on fees collected by your agency.

Texas Workforce Commission				
Exhibit 8: Fee Revenue - Fiscal Year 2012				
Fee Description/Program/Statutory Citation	Current Fee/Statutory Maximum	Number of persons or entities paying fee	Fee Revenue	Where Fee Revenue is Deposited
Private Educational Institution Fees/Career Schools & Colleges/ - Texas Education Code § 132.201, Administrative Code Title 40 § 807, Subchapter C	Varies	599	2,609,061	General Revenue
Lien Fees/Unemployment Insurance/Texas Labor Code Sec. 61.083 & Labor Code Sec. 61.053	Varies	351	4,340	G.R. Dedicated
Credit Card Convenience Fees/Unemployment Insurance/Texas Finance Code Sec. 339.001, GAA Article IX, Sec. 8.11, CPA APS 029	Varies	12,333	184,442	General Revenue

VI. Organization

A. Provide an organizational chart that includes major programs and divisions, and shows the number of FTEs in each program or division. Detail should include, if possible, Department Heads with subordinates, and actual FTEs with budgeted FTEs in parenthesis.





COMMISSIONERS

Three full-time commissioners are appointed to the Texas Workforce Commission by the Governor. Each one represents a different constituency: the public, employers and labor. Together, they oversee the functions of TWC and develop agency policy. 21.5 FTEs (23.5 budgeted)*

EXECUTIVE DIRECTOR

The Executive Director and staff manage the day-to-day operations of the agency, including implementation of policies set by the Commission. 5 FTEs (5 budgeted)*

INTERNAL AUDIT

Internal Audit is charged with providing independent, objective evaluations of agency operations. 11 FTEs (12.0 budgeted)*

GENERAL COUNSEL

The General Counsel provides professional legal services and support to the Texas Workforce Commission and agency staff. These services include advice and client support for legal issues relating to litigation, contracts, policymaking, governance, programs, performance, administrative functions, and services provided by or through the Commission, the local workforce development boards and contractors, as well as agency operations. The Open Records Section coordinates compliance with the Public Information Act and requests for access to TWC information under subpoenas and governmental requests for information. 22.75 FTEs (22.75 budgeted)*

CHIEF OF STAFF

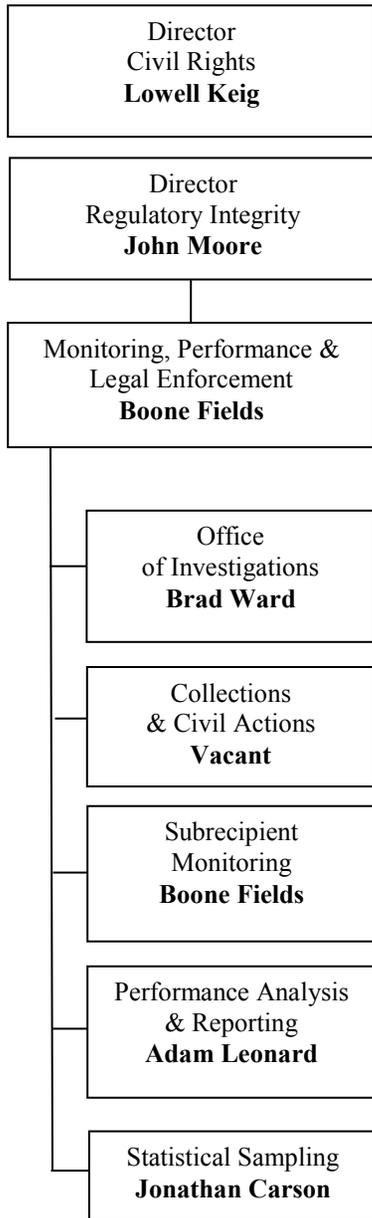
The Chief of Staff assists the Executive Director with carrying out the day-to-day operations of the agency. (The Chief of Staff FTE is included in the Executive Director total.)

BUSINESS TRANSFORMATION

The Director of Business Transformation provides direction and guidance in Texas Workforce Commission’s Rapid Process Improvement program and strategic operations. 1 FTE (1 budgeted)*

EMPLOYER INITIATIVES

Employer Initiatives is charged with convening representatives of industry, workforce development, the educational community, and other stakeholders to develop and deploy innovative solutions to employer challenges. Additionally, the Employer Initiatives team staffs and manages the Governor’s Industry Cluster Initiative for statewide workforce and economic development. 5 FTEs (4.0 budgeted)*



CIVIL RIGHTS DIVISION

The Civil Rights Division enforces Texas laws that prohibit discrimination in employment and housing, as well as works to reduce discrimination in employment and housing through education and outreach programs. 30.22 FTEs (33.0 budgeted)*

REGULATORY INTEGRITY DIVISION

The Regulatory Integrity Division enforces all regulatory statutes within the jurisdiction of the agency, including Unemployment Insurance (UI), Labor Law, Career Schools, Board Sanctions, Wage Claims, and Child Labor. A priority of the division is the prevention, detection and elimination of fraud and abuse in the Unemployment Insurance program. Additionally, all collection matters for the agency involving overpayments and delinquent taxes owed to the UI Trust Fund; the collection of disallowed costs arising from monitoring reports; and labor law related penalties and claim assessments are included in the division. 3 FTEs (3 budgeted)*

MONITORING, PERFORMANCE & LEGAL ENFORCEMENT: A priority of Monitoring, Performance and Legal Enforcement is the prevention, detection, and elimination of fraud and abuse in the Unemployment Insurance Program, the Payday Law Program, and providing guidance and assistance to any TWC program with investigatory processes when there is evidence to believe that waste, fraud, and abuse of ethics policies have occurred. This department assists with enforcement and oversight of TWC programs and works closely with the Office of Attorney General in all judicial reviews arising from enforcement actions, including UI and wage claim appeals. The Fraud Prosecution Unit plans and executes all actions related to the prosecution of perpetrators of fraudulent Unemployment Insurance claims. It is responsible for the detection of fraudulent attempts by claimants to obtain unemployment insurance payments and the recovery of UI Overpayments resulting from fraudulent actions. The strict prosecution of fraud cases is an integral part of RID’s fraud deterrence program. 11 FTEs (12 budgeted)*

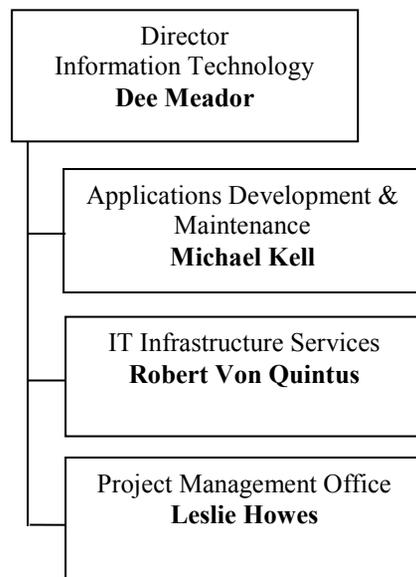
OFFICE OF INVESTIGATIONS: Conducts investigations of allegations of fraud, theft, waste, misconduct and program abuse involving programs administered by TWC. 76.98 FTEs (86 budgeted)*

COLLECTIONS & CIVIL ACTIONS: The Collections and Civil Actions Department supports agency operations through enforcement of all regulatory statutes within its jurisdiction, including UI, career schools, board sanctions, child labor abuses, collection of past-due employer taxes and quarterly payroll reports; collection of past-due employee wage claims; and recovery of improper benefit payments. 37.5 FTEs (43.5 budgeted)*

SUBRECIPIENT MONITORING: The Subrecipient Monitoring Department reviews the financial and programmatic operations of Local Workforce Development Boards and contract service providers. Site visits, desk reviews, and trend analysis procedures are performed to ensure accountability and improve program performance. 44.17 FTEs (49 budgeted)*

PERFORMANCE ANALYSIS & REPORTING: The Performance Analysis and Reporting Department applies knowledge of program requirements, performance measurement, and statistics to develop and define effective data systems which provide the information necessary to administer a workforce system that offers the opportunity to achieve and sustain economic prosperity. In addition, the department ensures data integrity for division data systems and provides the information necessary for the division to make effective data driven decisions and to provide oversight to Local Workforce Development Boards. 19 FTEs (19.0 budgeted)*

STATISTICAL SAMPLING: The Statistical Sampling Department gathers data and information from the Unemployment Insurance (UI) Program and the UI Tax Program for the purpose of validating the performance of both the UI system and the Tax system. The department prepares required analytical reports for the Department of Labor and assists DOL with testing of state UI and Tax performance measures. 12.0 FTEs (13.0 budgeted)*



EXTERNAL RELATIONS DIVISION

The External Relations Division is responsible for planning and implementing a coordinated outreach and education effort to customers and stakeholders, including managing external and internal communications for the agency; coordination of labor market and career information; communicating with federal and state executive and legislative bodies; serving as a single point of contact for customer inquiries and complaints and implementing a unified branding strategy. 4 FTEs (4 budgeted)*

COMMUNICATIONS DEPARTMENT: The Communications Department provides professional and timely internal and external communications including press releases, press events, communications support for agency executives, and customer newsletters. 5.78 FTEs (7 budgeted)*

GOVERNMENTAL RELATIONS DEPARTMENT: The Governmental Relations Department ensures effective flow of information between TWC and state and federal executive and legislative entities in proactive and responsive matters. 7 FTEs (7 budgeted)*

LABOR MARKET & CAREER INFORMATION DEPARTMENT: The Labor Market and Career Information Department provides consistent and accurate labor market and career information, including employment and unemployment rates, state and local level labor, industry and occupation data and ad hoc data requests to support the agency and executive and legislative branches in statewide and local workforce and economic planning activities. 55.35 FTEs (57.5 budgeted)*

CONFERENCE PLANNING & MEDIA SERVICES DEPARTMENT: Conference Planning and Media Services provides support for trainings, meetings and conferences throughout the workforce system by providing planning, audio visual, live audio webcasting and onsite meeting assistance. 4.99 FTEs (4.79 budgeted)*

INFORMATION TECHNOLOGY DIVISION

The Information Technology Division provides both the information technology infrastructure and software solutions to support the agency’s internal and external business customers. Technology has helped TWC transition from a personal-service model (where customers have to go to a person to get help) to a self-service model (where customers can help themselves but also have the option to talk to a representative, if necessary or desired). 5 FTEs (5 budgeted)*

APPLICATIONS DEVELOPMENT & MAINTENANCE (AD&M) DEPARTMENT: AD&M provides applications development, maintenance and support for agency programs utilizing mainframe, client/server and internet development technologies. Key programs include employer unemployment insurance tax collection, unemployment benefits administration and appeals, workforce case management, child care system administration and the WorkInTexas.com system, along with supporting enterprise systems such as Human Resources and Financial systems. 113.45 FTEs (138.81 budgeted)*

IT INFRASTRUCTURE SERVICES (ITIS) DEPARTMENT: ITIS provides key IT infrastructure support including network, information technology security, desktop management and data center outsourcing management. In addition, ITIS supports incoming and outgoing mail services, scanning, and data entry for key agency programs. 87.53 FTEs (93 budgeted)*

PROJECT MANAGEMENT OFFICE (PMO) DEPARTMENT: PMO provides portfolio and project management services, standards, processes and templates; IT contract management; enterprise integration and architecture leadership; testing/quality control support; software development lifecycle support, processes and templates; accessibility and usability expertise; enterprise IT communications; and web publishing services. 13.44 FTEs (18.5 budgeted)*

Finance
Randy Townsend

FINANCE

The Finance Department provides crucial financial information and services that promote effective financial management controls and encourage the efficient use of the agency's financial resources. The department's critical responsibilities include the following: reviewing and processing financial transactions for payroll, travel, payments for agency purchases and grant awards; accounting for Unemployment Insurance Trust Fund receipts and disbursements; processing federal cash draws; reviewing and recording entries to account for the agency's financial transactions and activities; preparing operating budgets and legislative appropriations requests for the agency's financial activities; preparing funding allocations/planning estimates for formula grant allocations to local workforce areas; preparing cost estimates for agency rules; preparing fiscal notes during legislative sessions; reporting financial information accurately and timely to state and federal oversight agencies; and responding to internal and external requests for financial information and analysis. 73.04 FTEs (77.45 budgeted)*

Human Resources
Management & Staff
Development
Susanna Holt Cutrone

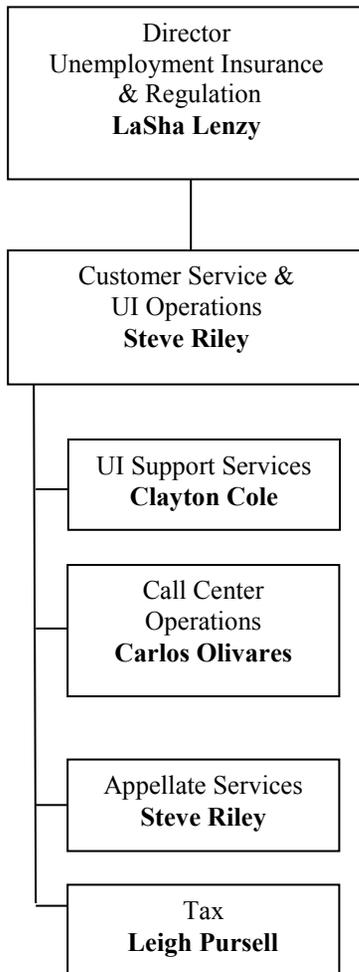
HUMAN RESOURCES MANAGEMENT & STAFF DEVELOPMENT

The Human Resources Management & Staff Development Department (HRM) is responsible for HR policy development and implementation, management of grievances and complaints, conducts investigations of personnel matters and provides guidance on disciplinary actions, when necessary. HRM also provides HR counseling to management and staff, assistance in the recruitment, selection, classification, compensation and performance appraisal system for employees. HRM administers the Standardized Payroll/Personnel Reporting System and payroll distribution, employee benefits, workers' compensation, leave administration, PeopleSoft functional support, reduction-in-force activities, awards and recognition programs and maintains personnel records. HRM includes the Training & Development department that serves employees, workforce partners, boards and other state agencies. In addition to workforce program training, the department provides automation training, management training, and LWDA board orientation. 50.43 FTEs (58 budgeted)*

Business Operations
Cindy Silberman

BUSINESS OPERATIONS

Business Operations provides infrastructure budgeting, planning, plant operations, contracting and management solutions and controls to optimize Texas Workforce System service delivery and to report agency performance and compliance. The department is responsible for end user technology and facility planning and budgeting; standards, solicitation, and processing of administrative purchases, grant awards, and the Historically Underutilized Business program; managing statewide construction projects and facilities maintenance; planning and oversight of business continuity, risk management, safety, and security programs; managing inventory, supply distribution, surplus property, and warehousing operations, facilities leasing and contract management, statewide telecom and State Office switchboard operations, building sales, records retention and records center operations, contract repository, graphic design services and one of the State's consolidated print shop operations. 88.21 FTEs (101 budgeted)*



UNEMPLOYMENT INSURANCE & REGULATION DIVISION

The Unemployment Insurance and Regulation Division seek to reduce disruptions to local economies and businesses by providing individual support to workers who are unemployed through no fault of their own. The division administers unemployment and labor laws impartially, with respect for the employers and labor force of Texas. 2 FTEs (2 budgeted)*

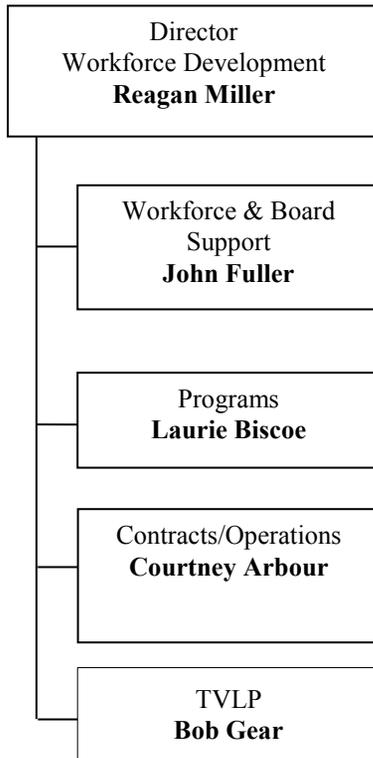
CUSTOMER SERVICE AND UNEMPLOYMENT INSURANCE OPERATIONS DEPARTMENT: The Unemployment Insurance (UI) Operations Department oversees the UI Support Services, Call Center Operations, Appellate Services and the Tax Department. 2 FTEs (2 budgeted)*

UNEMPLOYMENT INSURANCE SUPPORT SERVICES DEPARTMENT: The UI Support Services Department maintains quality customer service in the Unemployment Insurance (UI) system, and ensures continual improvement in that system through research, analysis, development of recommendations, and implementation of improvements to business procedures and policies. 59.77 FTEs (64 budgeted)*

CALL CENTER OPERATIONS: Call Center Operations directs and supports the unemployment insurance service delivery program by providing standard operating procedures, automated system support, training, and oversight for accepting and processing unemployment insurance (UI) claims through networked Tele-Centers across the state and through the Internet. 857.41 FTEs (903.01 budgeted)*

APPELLATE SERVICES: The departments within Appellate Services resolve disputes by conducting hearings, issuing written decisions and providing legal support to the three-member Commission in their role deciding cases on review and under original jurisdiction. Administration of appeals, hearings and decisions requires impartial adherence to Texas Statute, particularly the Texas Unemployment Compensation Act, case law, Commission Rule and agency precedent. 270.13 FTEs (274.5 budgeted)*

TAX DEPARTMENT: The Tax Department provides Tax assistance to Texas employers in complying with Tax law portions of the Labor Code. The department also collects unemployment taxes from employers subject to the Texas Unemployment Insurance Compensation Act – such taxes provide for the Unemployment Compensation Fund, a reserve from which unemployment benefits are paid to eligible claimants. 314.17 FTEs (336.5 budgeted)*



WORKFORCE DEVELOPMENT DIVISION

The Workforce Development Division supports the development of a statewide, market-driven system of employment and education services delivered by Local Workforce Development Boards (boards), board contractors, and local Texas Workforce Commission staff. 4 FTEs (5 budgeted)*

WORKFORCE & BOARD SUPPORT: Workforce & Board Support supports the development of a quality, market-driven workforce development network through the provision of technical support and assistance related to Local Workforce Development Board (Board) development, governance, and composition, capacity building, One-Stop reviews, customer complaint interventions, personal computing support, and planning for and supporting automation needs. 15 FTEs (17 budgeted)*

PROGRAMS: The Programs branch assists Texas employers and job seekers with employment and training services, ensuring quality education, approving and regulating schools, and attracting and maintaining a skilled workforce. The Programs Branch oversees policy and technical assistance for programs funded through Temporary Assistance for Needy Families/Choices, Supplemental Nutrition Assistance Program (SNAP) Employment and Training, the Child Care and Development Fund (CCDF), Foster Care Transition Centers, and the Noncustodial Parent (NCP) Choices Employment Pilot Project; oversees programs funded through the Workforce Investment Act and Wagner-Peyser Employment Service (ES), the Trade Adjustment Act (TAA), and oversees UI policy issues, including Rapid Reemployment Services for UI claimants. It also provides a state-level business services function, fosters partnerships between local Business Services Units and employers, implements the Adult Basic Education Strategic Action Plan, oversees TWC’s Literacy Committee, fosters programs for individuals with limited English proficiency (LEP), and other strategic initiatives. This branch also oversees the regulation and licensing of Career Schools and Colleges, the editing of the Workforce Development Division written communications and publications, the distribution of the Workforce Development Letters and electronic postings on the Agency’s website, and the coordination of the Agency’s rule development and publication process. 111.53 FTEs (122 budgeted)*

CONTRACTS/OPERATIONS: The Contracts/Operations branch develops and manages contracts for allocated funds administered by the 28 Local Workforce Development Boards by initiating contracts; coordinating contract amendments, renewals, and closeouts; overseeing compliance with expenditure requirements; making recommendations for deobligation and reallocation of funds; and overseeing corrective actions. The Branch is also responsible for overseeing the Skills Development Program, TWC’s premier job-training program, which provides grants to community and technical colleges to provide customized job-training programs for businesses who want to train new workers or upgrade the skills of their existing workforce. This branch also oversees contract management functions for TWC’s Apprenticeship, Wagner-Peyser 7b, and other special initiative contracts. This branch is responsible for the oversight of employment services staff in the local workforce centers; Agricultural Services, Monitor Advocate, and oversight of services to Migrant and Seasonal Farmworkers, processing requests for Foreign Labor Certification, certification of Eligible Training Providers and Integrated Service Area Management. 884.7 FTEs (940.51 budgeted)*

TEXAS VETERANS LEADERSHIP PROGRAM: The Texas Veterans Leadership Program assists returning veterans from Iraq and Afghanistan as they resume civilian life in Texas by providing critical resource and referral services, coordinating between different programs ranging from employment and training, to medical care, mental health and counseling, veterans benefits, and other programs. 21.57 FTEs (23 budgeted)*

B. If applicable, fill in the chart below listing field or regional offices.

Texas Workforce Commission				
Exhibit 9: FTEs by Location - Fiscal Year 2013				
Headquarters, Region, or Field Office	Location	Co- Located? Yes/No	Number of Budgeted FTEs, FY 2013	Number of Actual FTES as of June 1, 2013
Headquarters	Austin	No	1,447.0	1,305.6
Appeals - Field	Beaumont Appeals	No	1	1
Appeals - Field	San Antonio Appeals	No	3	5
Appeals - Field	Dallas Metroplex Appeals	No	14	14
Appeals - Field	Appeals Telecommuters	No	60	59
Appeals - Field	North Mopac Appeals	No	20	20
Field Tax	Waco Tax	No	3	3
Field Tax	College Station Tax	No	3	3
Field Tax	Harker Heights Tax	No	2	1
Field Tax	Longview Tax	No	5	5
Field Tax	Sulphur Springs Tax	No	3	3
Field Tax	Texarkana Tax	No	2	2
Field Tax	Tyler Tax/Appeals	No	3	3
Field Tax	El Paso Tax	No	5	6
Field Tax	Beaumont Tax	No	7	7
Field Tax	San Antonio Tax-Admin	No	19	17
Field Tax	Eagle Pass Tax	No	1	1
Field Tax	Victoria Tax	No	3	2
Field Tax	McAllen Tax	No	8	8
Field Tax	Corpus Christi Tax Office	No	7	9
Field Tax	Laredo Tax Office	No	3	3
Field Tax	Amarillo Tax	No	7	7
Field Tax	Lubbock Tax	No	9	10
Field Tax	Midland Tax	No	2	-
Field Tax	Houston Tax #2	No	43	41
Field Tax	Shenandoah Tax	No	11	11
Field Tax	Pasadena Tax	No	10	7
Field Tax	Wichita Falls Tax	No	4	5
Field Tax	Abilene Tax	No	3	1
Field Tax	Brownwood Tax	No	3	2
Field Tax	San Angelo Tax	No	-	1
Field Tax	Grand Prairie Tax	No	27	25
Field Tax	Fort Worth Tax	No	24	25
Field Tax	Denton Tax Office	No	3	3

Headquarters, Region, or Field Office	Location	Co-located? Yes/No	Number of Budgeted FTEs, FY 2013	Number of Actual FTEs as of June 1, 2013
Field Tax	Richardson Tax	No	14	16
Field Tax	Sherman Tax	No	1	1
Field Tax	Austin Tax	No	21	21
Austin TC	Austin Adjudication Unit	No	91	81
El Paso TC	El Paso Tele-Center	No	119	154
Fort Worth TC	North Texas Tele-Center	No	275	207
McAllen TC	McAllen Tele-Center	No	214	221
Alamo Tele-Center	Alamo Tele-Center	No	34	52
San Antonio TC	San Antonio Tele-Ctr	No	131	124
LWDA	Panhandle	No	13.5	13.0
LWDA	South Plains	No	15.0	15.0
LWDA	North Texas	No	8.2	7.0
LWDA	North Central	No	85.1	76.9
LWDA	Tarrant County	No	64.4	62.0
LWDA	Dallas County	No	89.3	84.9
LWDA	North East	No	9.7	11.0
LWDA	East Texas	No	27.0	27.0
LWDA	West Central	No	13.5	12.2
LWDA	Upper Rio	No	33.0	35.5
LWDA	Permian Basin	No	12.2	10.2
LWDA	Concho Valley	No	7.2	5.5
LWDA	Heart of Texas	No	11.0	14.0
LWDA	Capital Area	No	35.4	33.3
LWDA	Rural Capital	No	28.4	27.8
LWDA	Brazos Valley	No	11.5	9.0
LWDA	Deep East	No	13.7	16.0
LWDA	South East	No	17.0	13.9
LWDA	Golden Crescent	No	7.7	9.0
LWDA	Alamo	No	65.9	61.7
LWDA	South Texas	No	9.7	10.9
LWDA	Coastal Bend	No	25.0	26.0
LWDA	Lower Rio	No	32.9	36.1
LWDA	Cameron County	No	16.2	17.5
LWDA	Texoma	No	8.0	6.7
LWDA	Central Texas	No	12.5	13.7
LWDA	Middle Rio	No	12.2	10.0
LWDA	Gulf Coast	No	201.8	181.7
		Totals:	3,551.5	3,337.6

C. What are your agency's FTE caps for fiscal years 2012-2015?

The Agency's FTE caps for Fiscal Years 2012-2015 are included below.

2012FTE	2013FTE	2014FTE	2015FTE
3,408.3	3,312.3	3,152.1	3,016.4

For Fiscal Years 2012 and 2013, Texas Workforce Commission (TWC) had an average of almost 300 federally-funded FTEs not subject to the FTE limit. The additional FTEs were paid entirely from federal funding sources associated with the following programs: Unemployment Insurance (UI), Disaster Unemployment Assistance (DUA), Emergency Unemployment Compensation (EUC), and American Recovery and Reinvestment Act (ARRA). These federal funds enabled TWC to hire additional staff to address the expanded workload resulting from an increase in unemployment claims and appeals. The funds also allowed for additional staff to be hired to provide reemployment services and eligibility assessments for UI claimants.

D. How many temporary or contract employees did your agency have as of August 31, 2012?

The Texas Workforce Commission had 493 temporary employees and 12 contract employees as of August 31, 2012.

E. List each of your agency's key programs or functions, along with expenditures and FTEs by program.

Texas Workforce Commission		
Exhibit 10: List of Program FTEs and Expenditures - Fiscal Year 2012		
Program	FTEs as of August 31, 2012	Actual Expenditures
Apprenticeship	0.8	2,729,134
Career Schools and Colleges	11.0	822,294
Central Administration	162.1	10,839,788
Child Care	43.2	501,500,236
Chld Care-Foster Care Families	-	39,521,214
Civil Rights	33.0	1,887,324
Employment Services (ES)	866.2	50,052,286
Foreign Labor Certification	7.0	386,589
Information Resources	32.4	5,725,885
Labor Law	55.7	3,282,367
Labor Market and Career Information (LMCI)	54.6	3,741,855
Office of Employer Initiatives	4.1	322,644
Other Support Services	30.6	1,809,980
Regulatory Integrity	169.6	8,576,710
Senior Citizens Employment Services Program (SCSEP)	1.3	4,888,046
Skills Development	27.6	23,226,547
Supplemental Nutrition Assistance Program Employment & Training (SNAP E&T)	10.9	22,899,396
Temporary Assistance for Needy Families (TANF) Choices	46.7	94,987,092
Temporary Assistance for Needy Families (TANF) Self-Sufficiency	2.1	1,453,090
Texas Back-to-Work (TBTW)	-	9,928,343
Texas Veterans Leadership Program	21.3	1,297,922
Trade Adjustment Assistance (TAA)	28.4	9,853,399
Unemployment Appeals	283.0	19,950,300
Unemployment Claims	1,130.2	70,983,986
Unemployment Tax Collection	360.9	23,756,520
Work Opportunity Tax Credit (WOTC)	17.5	900,733
Workforce Investment Act (WIA)	59.9	167,355,593
Total:	3,459.9	1,082,679,273

VII. Guide to Agency Programs

A. Provide the following information at the beginning of each program description.

Name of Program or Function	Civil Rights
Location/Division	Civil Rights Division (CRD), Room 144-T
Contact Name	Lowell A. Keig, Division Director
Actual Expenditures, FY 2012	\$1,887,324
Number of Actual FTEs as of June 1, 2013	33.0
Statutory Citation for Program	Texas Labor Code, Chapter 21

B. What is the objective of this program or function? Describe the major activities performed under this program.

The Civil Rights program seeks to prevent and reduce employment and housing discrimination in the state by enforcing state and federal laws and providing compliance monitoring, education, and outreach.

CRD conducts the following major activities:

- Employment discrimination investigations pursuant to Chapter 21 of the Texas Labor Code;
- Housing discrimination investigations pursuant to Chapter 301 of the Texas Property Code;
- Review of personnel policies and procedures of each state agency as required by Chapter 21 of the Texas Labor Code;
- Review of initial firefighter tests for compliance pursuant to Chapter 419 of the Texas Government Code;
- Employment discrimination (including sexual harassment) training for state employees and private employers, as well as fair housing training for housing providers/lenders; and
- Outreach activities to inform employees and consumers of their rights and to educate employers and housing providers/lenders on their responsibilities.

C. What evidence can you provide that shows the effectiveness and efficiency of this program or function? Provide a summary of key statistics and performance measures that best convey the effectiveness and efficiency of this function or program.

Employment Investigations: In FY 2012, CRD closed 71.2% of employment cases with no cause, providing employers with an administrative means to resolve unwarranted or frivolous claims. 18.5% of employment cases were closed with settlement—either with CRD participating or not—generating monetary and/or non-monetary relief to those employees.

A key CRD performance measure is to resolve an employment complaint within two years of the date it is filed. The average processing time for employment complaints in FY 2012 was 131 days.

Housing Investigations: In FY 2012, CRD closed 31.9% of housing complaints with no cause, which in comparison with no cause employment closures of 71.2%, presents a stark difference. 31.7% of housing cases were closed with successful conciliation, which provides housing providers/lenders with the opportunity to come into compliance to alleviate future problems and the protection that statements made or actions taken in the conciliation are not made public or allowed as evidence in a subsequent proceeding. In addition, conciliations afford consumers needed non-monetary and/or monetary relief. Furthermore, 21% of housing cases were closed by a withdrawal of the complaint with a settlement.

A key CRD performance measure is to resolve a housing complaint within 365 days of the date it was filed. The average processing time for housing complaints in FY 2012 was 140 days.

The chart below summarizes key statistics on Legislative Budget Board performance measures for Employment and Housing Investigations over a four-year time period.

Measure	FY 2009	FY 2010	FY 2011	FY 2012
% of Employment and Housing Complaints Resolved Timely	96.42%	98.02%	99.00%	98.31%
# of Employment and Housing Complaints Resolved	1509	1367	1285	1302
# of Employment Complaints Resolved	1157	1024	909	921
# of Housing Complaints Resolved	352	343	376	379
Avg Cost Per Employment and Housing Complaint Resolved	\$1,123.44	\$1,228.23	\$1,333.35	\$1,304.39
Avg Cost Per Employment Complaint Resolved	\$847.26	\$903.42	\$988.32	\$939.61
Avg Cost Per Housing Complaint Resolved	\$2,031.23	\$2,197.92	\$2,167.21	\$2,190.83

D. Describe any important history regarding this program not included in the general agency history section, including how the services or functions have changed from the original intent.

The Texas Commission on Human Rights (TCHR) provides oversight of CRD. It was created in 1983 to protect the public against employment discrimination based on race, color, national origin, sex, religion, age, or disability. In 1989 the Texas Fair Housing Act added protection against housing discrimination to the TCHR's powers and duties. In 2003 the TCHR was abolished as an independent agency, and its operating functions were transferred to the Texas Workforce Commission, Civil Rights Division, effective in March 2004. The TCHR, however, continued as a governing body of the Civil Rights Division with specific, delineated authority.

The original TCHR was composed of six members appointed by the governor with the advice and consent of the state senate, for overlapping six-year terms. One member represented industry, one member represented labor, and four members represented the general public. Beginning in 2004, when the functions of the TCHR were transferred to CRD, the TCHR was reconstituted to increase the number of members of the commission to seven with the addition of one public member.

E. Describe who or what this program or function affects. List any qualifications or eligibility requirements for persons or entities affected. Provide a statistical breakdown of persons or entities affected.

Persons/Entities Involved in Employment & Housing Discrimination Complaints: CRD's employment and housing investigations functions affect individuals who allege discrimination, and those employers and housing providers or lenders who are respondents.

In FY 2012, CRD received 610 employment complaints from individuals, the majority of which involved persons who alleged discrimination involving discharge (29.6%), harassment (17.8%), and terms and conditions of their employment (15.9%). Sexual harassment was a separate category constituting 5.4% of all complaints. The majority of the complainants' filings were based on sex (18.5%), disability (16.2%), and age (15.9%).

In FY 2012, 445 housing complaints were filed with CRD by individuals. Persons alleged discrimination in the following top three categories: terms and conditions of housing (48.8%), refusal to rent (15.4%) and failure of reasonable accommodation (15.4%). The majority of complainants indicated they were discriminated against on the basis of a disability (36.9%) and race (29.9%).

Entities Benefitting from Review of Personnel Policies and Procedures Systems: CRD conducts reviews every six years of the personnel policies and procedure systems of other state agencies and institutions of higher learning. In FY 2012, twenty-one agencies and schools received a review, as well as technical assistance when needed.

Fire Departments Conducting Initial Firefighter Tests: CRD conducts reviews of initial firefighter tests used by fire departments to determine compliance with Chapter 21 of the Texas Labor Code. In FY 2012, the initial tests of 65 fire departments were assessed.

Entities Receiving Employment/Housing Discrimination Training: CRD provides employment/sexual harassment training that is required for all state employees within thirty days of being hired and biannually thereafter. The Division also provides required training to state agencies that have received three complaints of discrimination within a fiscal year. In addition, public and private entities are provided housing and employment training from CRD. In FY 2012, twelve state agencies (a total of 101 employees) received employment training in accordance with the Chapter 21 of the Labor Code; and ten individuals in ten private companies (e.g., landlords, mortgage companies, real estate brokers) received housing training pursuant to conciliation agreements under the Texas Fair Housing Act.

The chart below provides a statistical breakdown of persons/entities affected by CRD major activities over a four-year time period.

Groups Identified as Affected by Civil Rights Major Activities

Measure	FY 2009	FY 2010	FY 2011	FY 2012
# of Employment Complaints Filed	1250	907	875	610
# of Housing Complaints Filed	283	332	416	445
# of Personnel Policies Approved by CRD	28	26	31	10
# of Fire Department Tests Reviewed	60	60	55	61
# of Individuals Receiving EEO Training	809	1083	736	142

F. Describe how your program or function is administered. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures. Indicate how field/regional services are used, if applicable.

Overview of Housing Employment Complaint Processing Systems

While the housing and employment complaint processing systems are similar, there are distinct differences. Please see the flowcharts for each system set forth below at the end of this subsection F.

Personnel Policies and Procedural Systems Reviews

The Personnel Policies and Procedural Systems compliance reviews are conducted using Standardized Operational Procedures, which contain the following key steps:

- I. The selection of state agencies and public institutions and systems of higher education are based on a six year schedule established by TCHR rule and posted on TWC-CRD’s website.
- II. Personnel Policy and Procedural Systems (PPPS) reviewed:
 - A. Hiring and Promotions
 - B. Performance Evaluations
 - C. Disciplinary Actions
 - D. Workplace Accommodations
 - E. EEO Policy, including prevention of sexual harassment
 - F. Compensation Policies (public institutions/systems of higher education only, since not covered by the state salary classification act).

III. Reviewer's Activities:

- A. Gather information.
- B. Analyze personnel policies and procedures using a Checklist template.
- C. Conduct a random examination of personnel policies and procedures' application through an analysis of samples submitted.
- D. Make recommendations for appropriate revisions based on the results of the analysis of the personnel policies and procedures.
- E. Provide technical assistance, upon request, to state agencies and public institutions/systems of higher education on how to implement recommended revisions.
- F. Analyze updated policies and procedures based on the CRD's recommended revisions.
- G. Summarize the final status of personnel policies and procedures.
- H. Present to the review agency the final status as to compliance with Chapter 21 of the Texas Labor Code for all reviewed personnel policy and procedural systems.

Firefighter Initial Tests Reviews

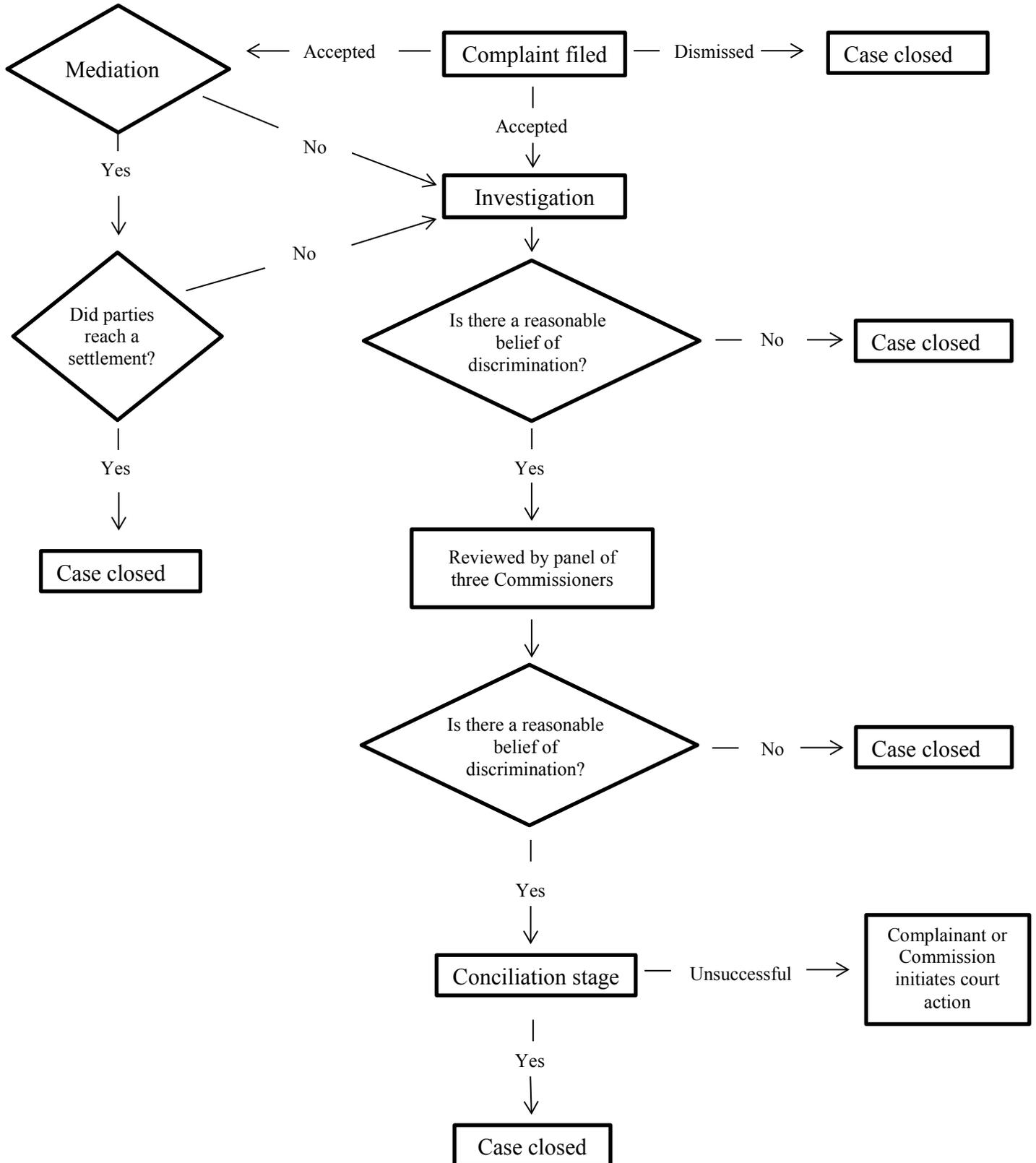
The Initial Firefighter Tests compliance reviews are performed using Standardized Operating Procedures, which involve the following key steps:

- I. The selection of Texas Fire Fighter Departments is based on a six year schedule and is soon to be posted on CRD's website.
- II. CRD reviews the administration of tests by fire departments as follows:
 - A. Determination of whether the fire department's test is on the approved list of validated tests posted by CRD on its website; or the fire department provides proof of validation.
 - B. If the test is not validated, CRD performs a disparate impact analysis by using the "4/5's rule" prescribed by federal regulation.
 - C. If the test does not meet the "4/5's rule," then CRD recommends that the fire department replace the existing test with a validated test from CRD's list or other validated test, or that the fire department proceed with a validity study and provide CRD with a timeline for completion.

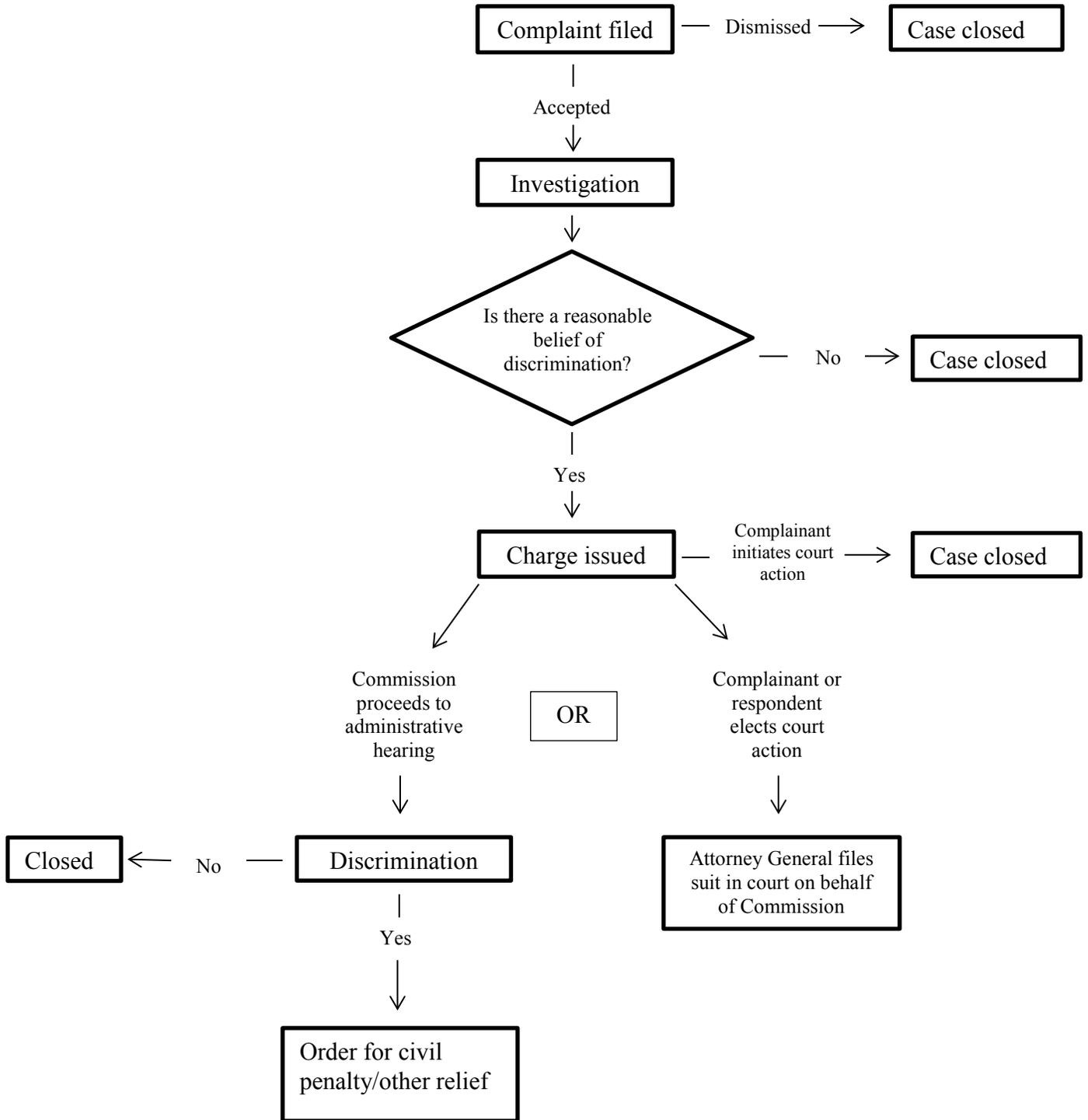
Training & Outreach

Employment training is provided on request by other state agencies and institutions of higher learning, and housing training is provided on request or pursuant to conciliation agreement. Outreach activities are also conducted as staff resources permit to inform persons of their rights, and to educate housing providers/lenders and employers of their responsibilities.

Overview of Employment Complaint Processing System



Overview of Housing Complaint Processing System



G. Identify all funding sources and amounts for the program or function, including federal grants and pass-through monies. Describe any funding formulas or funding conventions. For state funding sources, please specify (e.g., general revenue, appropriations rider, budget strategy, fees/dues).

The majority of CRD’s funding is from two federal sources, the United States Department of Housing and Urban Development (HUD) and the United States Equal Employment Opportunity Commission (EEOC). A breakdown of the CRD’s funding is set forth below:

General Revenue (Non Federal)	\$759,805.93
Appropriated Receipts (Non Federal)	12,555.52
Interagency Contracts (Non Federal)	39,343.63
HUD (Federal)	803,628.44
EEOC (Federal)	<u>271,990.69</u>
Total:	\$1,887,324.21

This total amount of \$1,887,324.41 links primarily to 2012 LAR Strategy 2.2.1 – Civil Rights (\$1,879,427), with the remaining amount (\$7,897) tying to 2.1.2 – Technical Assistance.

H. Identify any programs, internal or external to your agency, that provide identical or similar services or functions to the target population. Describe the similarities and differences.

The EEOC provides substantially equivalent services and functions to persons who allege discrimination in employment, and offers technical assistance to employers.

HUD provides substantially equivalent services and functions to persons who allege discrimination in housing, and offers technical assistance to housing providers and lenders.

A primary difference in services of CRD and that of EEOC or HUD is the limitation of geographical jurisdiction for CRD to the State of Texas.

I. Discuss how the program or function is coordinating its activities to avoid duplication or conflict with the other programs listed in Question H and with the agency’s customers. If applicable, briefly discuss any memorandums of understanding (MOUs), interagency agreements, or interagency contracts.

CRD has a Work Sharing Agreement with EEOC that includes steps to avoid duplication and conflicting processes. In addition, an annual contract is executed by EEOC and CRD that sets forth funding by EEOC to CRD and such other requirements as deliverables. Likewise, CRD has a Memorandum of Understanding with HUD addressing procedures to avoid duplication and conflicting processes, and the two agencies annually execute a Contributions Agreement (also commonly known as a “Cooperative Agreement”) that sets forth funding amounts from HUD to CRD and associated performance requirements. Similarly, a Cooperative Agreement exists between TCHR and the Austin Human Relations Commission (predecessor of the City of Austin Equal Employment and Fair Housing Office).

CRD has a Memorandum of Understanding with the Texas Department of Housing and Community Affairs (TDHCA) for referral of possible fair housing violations by TDHCA to CRD if an owner that is monitored for compliance by TDHCA fails to correct an issue in a timely manner.

J. If the program or function works with local, regional, or federal units of government, include a brief description of these entities and their relationship to the agency.

There are several local housing and employment agencies that handle discrimination complaints, which are listed below. CRD and these local agencies defer complaints to each other based upon geographic jurisdictions.

U.S. Equal Employment Opportunity Commission
U.S. Department of Housing and Urban Development
City of Austin Equal Employment and Fair Housing Office (employment and housing)
City of Corpus Christi Department of Human Relations (employment and housing)
City of Dallas Fair Housing Office (housing only)
Fort Worth Human Relations Commission (employment and housing)
Garland Office of Housing and Neighborhood Services (housing only)

K. If contracted expenditures are made through this program please provide:

- a short summary of the general purpose of those contracts overall;
- the amount of those expenditures in fiscal year 2012;
- the number of contracts accounting for those expenditures;
- top five contracts by dollar amount, including contractor and purpose;
- the methods used to ensure accountability for funding and performance; and
- a short description of any current contracting problems.

- General purpose: Interpreter Services
- Amount of those expenditures in fiscal year 2012: \$120
- Number of contracts accounting for those expenditures: One
- Top five contracts by dollar amount, including contractor and purpose: Access Language Center LLC – Interpreter Services
- Methods used to ensure accountability for funding and performance: Agency internal controls are in place related to purchasing and payment of services
- Short description of any current contracting problems: None

L. Provide information on any grants awarded by the program.

CRD provided \$1,000 to the City of Austin Equal Employment/Fair Housing Office to sponsor the 2012 Fair Housing Conference held in Austin. The conference was conducted in celebration of Texas Fair Housing Month, and was open to the general public as well as local, state, and federal fair housing stakeholders. The conference achieved its mission of affirmatively furthering fair housing and promoted the fair treatment of all individuals of the City of Austin and people across the State of Texas.

Representatives from the U.S. Department of Housing and Urban Development, Regional Office, CRD, the City of Austin Housing Authority, and the City of Austin's Neighborhood Housing Community Development Department attended and/or presented as part of the program. Participants were informed

about current enforcement actions and outcomes regarding housing issues from a local and national perspective. In addition, a Texas Fair Housing Month Proclamation from the Governor was presented during the conference.

M. What statutory changes could be made to assist this program in performing its functions? Explain.

None at this time.

N. Provide any additional information needed to gain a preliminary understanding of the program or function.

CRD has state-wide enforcement responsibility for employment and housing discrimination complaints, with the exception that CRD defers to local enforcement agencies for cases falling within their geographic jurisdictions. (See list of local agencies in subsection J. above.)

O. Regulatory programs relate to the licensing, registration, certification, or permitting of a person, business, or other entity. For each regulatory program, if applicable, describe:

- why the regulation is needed;
- the scope of, and procedures for, inspections or audits of regulated entities;
- follow-up activities conducted when non-compliance is identified;
- sanctions available to the agency to ensure compliance; and
- procedures for handling consumer/public complaints against regulated entities.

Not applicable.

P. For each regulatory program, if applicable, provide the following complaint information. The chart headings may be changed if needed to better reflect your agency's practices.

Not applicable.

**Civil Rights Division
Employment Investigations
Exhibit 11: Information on Complaints Against Regulated Persons or Entities
Fiscal Years 2011 and 2012**

	FY 2011	FY 2012
Total number of regulated persons	N/A	N/A
Total number of regulated entities	N/A	N/A
Total number of entities inspected	904	918
Total number of complaints received from the public	875	610
Total number of complaints initiated by agency	0	0
Number of complaints pending from prior years	398	336
Number of complaints found to be non-jurisdictional	13	10
Number of jurisdictional complaints found to be without merit	571	654
Total number of complaints resolved	904	918
Number of complaints resolved by settlement	177	166
Number of complaints resolved through CRD mediation	156	156
Average number of days for complaint resolution	162	131
Complaints resulting in disciplinary action:	0	0
administrative penalty		
reprimand		
probation		
suspension		
revocation		
other		

**Civil Rights Division
Housing Investigations
Exhibit 11: Information on Complaints Against Regulated Persons or Entities
Fiscal Years 2011 and 2012**

	FY 2011	FY 2012
Total number of regulated persons	N/A	N/A
Total number of regulated entities	N/A	N/A
Total number of entities inspected	376	376
Total number of complaints received from the public	416	445
Total number of complaints initiated by agency	0	0
Number of complaints pending from prior years	152	218
Number of complaints found to be non-jurisdictional	8	4
Number of jurisdictional complaints found to be without merit	118	122
Total number of complaints resolved	376	376
Number of complaints closed by conciliation or settlement	189	198
Average number of days for complaint resolution	112	140
Complaints resulting in disciplinary action:	0	0
administrative penalty		
reprimand		
probation		
suspension		
revocation		
other		

A. Provide the following information at the beginning of each program description.

Name of Program or Function	Office of Employer Initiatives
Location/Division	Austin/A10
Contact Name	Doug Ridge
Actual Expenditures, FY 2012	\$322,644
Number of Actual FTEs as of June 1, 2013	5.0
Statutory Citation for Program	78 th Legislature Sunset Recommendation

B. What is the objective of this program or function? Describe the major activities performed under this program.

The Office of Employer Initiatives (EI) was formed in response to a recommendation of the Sunset Review conducted during the 78th Legislative Session. EI was created to assist the Texas Workforce Commission to better engage Texas employers, and to fulfill its vision of being seen as a quality supplier of workforce solutions. EI has evolved to be a high-profile office that works with the Commissioners, and report directly to the Executive Director.

The mission of the division is to provide leadership and direction within the workforce system to engage employers, business organizations, educational institutions, and economic developers in the development of a customer-focused, market-driven and globally competitive workforce system.

Clusters and Competitiveness

In August of 2005, the Office of the Governor and the Texas Workforce Commission (TWC) released a joint report entitled “Engines of the Texas Economy – The Industry Cluster Assessment Reports”. This assessment, initiated by the Governor’s Office and managed by Employer Initiatives, worked with multiple stakeholder groups in both public and private sectors to inventory and assess the impact of technology on the potential growth of regional clusters of industry across the state. The over-arching industries to be examined were defined in legislation, and were:

- Advanced Technologies and Manufacturing,
- Aerospace and Defense,
- Biotechnology and Life Sciences,
- Energy,
- Information and Computer Technology, and
- Petroleum Refining and Chemical Manufacturing.

Leading industry representatives, entrepreneurs, workforce and economic development organizations, business and trade associations, support industry and members of academia came together to create a detailed profile of the industry clusters in specific regions across the state. The advisory teams reviewed both quantitative and qualitative data to identify technology and market-driven opportunities for

stimulating sustained economic growth and public policy recommendations. These recommendations fell into four broad areas:

- Workforce and Education
- Capital and Technology Commercialization
- Business Climate
- Collaboration.

As a result of the work done during the first cluster initiative, many groups incorporated the clusters into different parts of their process.

- Local Workforce Boards - During the board planning process, each of the 28 local areas is now required to identify targeted high-skill, high-demand occupations for which local training dollars will be spent.
- Skills Development Fund - Each SDF grant application requires information relating the particular employer(s) to local or regional clusters, and requires the submitter to estimate regional economic impact of the training.
- Interagency Collaboration - The Cluster Initiative developed a system for collaborating on and funding projects within a number of state agencies. The development of clusters of industry also highlighted market strategies for local, regional and state economic development activities.

Development and Utilization of Best Practice Models

A best practice as defined by the American Productivity & Quality Center (APQC) is “...a technique or methodology that, through experience and research, has proven to reliably lead to a desired result.” The Office of Employer Initiatives plays an important role within the statewide workforce system by collaborating to create, replicate, and implement best practice models for workforce development.

C. What evidence can you provide that shows the effectiveness and efficiency of this program or function? Provide a summary of key statistics and performance measures that best convey the effectiveness and efficiency of this function or program.

The Office of Employer Initiatives (EI) utilizes the following metrics to evaluate performance.

- Economic Impact
- Organizational Effectiveness
- Organizational Efficiency
- Cost to Value

An example of **economic impact** where EI collaborates with partners to influence economic growth is the use of Skills Development Funds to attract prospective businesses to Texas. From FY10 to present, 62 Skills Development Fund letters have been issued, and some 38 of these businesses have located in Texas.

EI measures its **organizational effectiveness** by the development and utilization of best practices within the workforce system and by its partners. Presentation examples include:

- Promoting regional development and collaboration to sustain growth
- Using clusters to create jobs and build industries
- Preparing the changing face of the Energy cluster

- Developing and expanding small business through clusters: growth and retention strategies for your community
- Regional to global competitiveness: rethinking the region

Organizational efficiency can be viewed as reviewing data and measures, and applying or developing context to the information for informed decision making. Industry data comes from many sources – primary and secondary research, observation, and conversation with industry leaders. Without the context of industry validation, they have minimal value to policy makers. This knowledge can then be put into action through local or agency initiatives, through third party programs, or through legislative recommendations.

Employer Initiatives collects and summarizes the data, and assembles industry leaders to validate and provide context. It is in these two steps that EI is able to provide a high value to TWC and its partners. EI’s staff then serves as a resource to the implementing trade associations, colleges and universities, or legislative bodies. Employer Initiatives is able, through reputation and perspective, to provide a high **cost-to-value** benefit to the agency and its partners across the state.

D. Describe any important history regarding this program not included in the general agency history section, including how the services or functions have changed from the original intent.

Since the creation of the office, there has been an increasing emphasis placed on assuming the role of “convener” among the community of interest around economic and workforce development. EI was chosen to lead the governor’s effort under the original cluster initiative. EI was integrally involved in developing regional input into the initiative from employers, workforce and training professionals, and other stakeholders across the state. EI briefed each of the 28 workforce boards on the implications of the study unique to each region, as well as statewide.

Subsequent to the rollout of the cluster initiative, the Office of the Governor asked TWC to manage a related initiative, the Governor’s Competitiveness Council. EI managed the consulting contracts and participated in discussions centering on how to ensure that Texas’ economy remained globally competitive and in a leadership position in the high impact sectors of the six industry clusters chosen as the engines of the state’s growth.

As EI began to develop training models based on industry requirements, it became increasingly apparent that metrics for workforce development would need to look at both a “just in time” model and a longer-term vision based on economic sustainability and regional economic impact.

- *Just in Time Training*: EI assists in the marketing and development of training under the Skills Development Fund for high-skill, high-demand job training customized to the needs of regional employers. Community colleges and regional workforce boards set priorities linked to regional industry clusters and emerging industry sectors to optimize regional economic impact.
- *Long-term Training Strategies*: EI developed a set of best practice models for training and certification based on the needs of regional industry sectors. Industry funding is used as the sustainability funding stream, and provides the key to curriculum development based on emerging capabilities, KSA’s, and vetting of skills being taught. This model also may require articulation agreements among community colleges, articulation to four-year universities, or the development of skills-based certificates where no industry standards currently exist.

EI utilizes many different avenues to obtain this critical information, including local workforce board representatives and the industry cluster teams.

E. Describe who or what this program or function affects. List any qualifications or eligibility requirements for persons or entities affected. Provide a statistical breakdown of persons or entities affected.

The EI works with many divisions across TWC, other state agencies, local workforce boards, industry trade associations, education institutions, economic development organizations, and individual employers statewide to define and address workforce needs.

F. Describe how your program or function is administered. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures. Indicate how field/regional services are used, if applicable.

The Director of the Office of Employer Initiatives (EI) reports directly to the executive director, and consults and advises each of the three commissioners. Each member of the EI staff manages research and project implementation in two of the six industry cluster groups, and is responsible for outreach to trade associations, workforce boards, and economic developers dealing with issues related directly to those specific clusters. EI partners with TWC's Workforce Division in the implementation and oversight of many of its projects, and depends on the network of workforce boards across the state for market intelligence, employer interaction, and local project implementation. The Boards' Business Services Units are primary regional partners.

G. Identify all funding sources and amounts for the program or function, including federal grants and pass-through monies. Describe any funding formulas or funding conventions. For state funding sources, please specify (e.g., general revenue, appropriations rider, budget strategy, fees/dues).

As a part of the executive budget, the EI Division is primarily funded through general revenue, representing \$292,259 of the total \$322,644 division budget in FY12. In addition, TWC received a three-year Department of Labor grant, the Workforce Data Quality Initiative (WDQI), which funds a portion of a staff member's salary of the division that serves as project manager for the initiative. Of the total \$997,014 grant, \$30,359 was utilized for this purpose in FY12. Program funding is referenced in the 2012 LAR Strategies 1.1.1, 1.1.4, and 3.1.2.

H. Identify any programs, internal or external to your agency, that provide identical or similar services or functions to the target population. Describe the similarities and differences.

The Office of Employer Initiatives coordinates collaboration among representatives of employer groups, ensuring that all needed parties are pulled into the discussion of workforce development and that the response is comprehensive. Each of the identified groups provides a unique set of perspectives and tools for addressing issues and needs.

I. Discuss how the program or function is coordinating its activities to avoid duplication or conflict with the other programs listed in Question H and with the agency's customers. If applicable, briefly discuss any memorandums of understanding (MOUs), interagency agreements, or interagency contracts.

Within the statewide workforce system, communication and collaboration occurs to ensure that all divisions are working together on a coordinated response. Examples of this collaboration occur through the following:

- Weekly division director meetings
- Continuous dialog and discussion with the Workforce Development Division to discuss priorities within their scope and dealings with the Local Boards.
- Weekly conference calls with the local boards

At the state level, the Office of Employer Initiatives (EI) participates in bi-weekly Matrix meetings hosted by the Governor's Office of Economic Development and Tourism. These multi-agency meetings provide an opportunity for state agencies involved in the business recruitment process to discuss a coordinated response for businesses interested in locating or expanding in Texas.

J. If the program or function works with local, regional, or federal units of government, include a brief description of these entities and their relationship to the agency.

Federal

At the federal level, EI collaborates with many agencies that contribute to or support the workforce pipeline in cluster related industries. These agencies have supported EI projects in various forms from funding specialized projects to providing support or technical assistance for formulating best practices.

- **Department of Labor (DOL)**
 - Many of the specialized projects outlined in Section B have funding and technical assistance support DOL and/or DOLETA Region IV. Two prominent examples of projects include the Business Services Training Curriculum Development Project and the Workforce Data Quality Initiative (WDQI).
- **Department of Energy**
 - EI has collaborated to address talent development needs through the creation of training programs with the Nuclear Power Institute (NPI) to assist in addressing the energy workforce demand identified by the Energy Department.
 - EI coordinated the efforts of Texas manufacturers and employers in the wind energy industry to establish baseline certification requirements and curricula. The Department of Energy reviewed and approved those curricula, which became the courses offered through the Texas Wind Energy Institute, an integrated and articulated project among community colleges and four-year institutions.
- **Department of Commerce (Economic Development Agency)**
 - The Commerce Department's mission is to help make American businesses more innovative at home and more competitive abroad. EI has provided technical assistance on Rural Economic Development/EDA Grants

Regional

On a regional level, EI interacts with two main governmental entities, Workforce Development Boards and Regional Councils of Governments. EI partners with these entities on developing specialized projects, facilitating discussions, and disseminating and validating information relating to cluster-based talent development.

- Local Workforce Development Boards - The Division collaborates with representatives from the local workforce boards to address regional employer needs by providing technical assistance. This assistance can include everything from best practice strategies to providing contacts for additional partners.
- Councils of Governments - These voluntary associations deal with the planning needs that cross the boundaries of individual local governments or that require regional attention.

Local

EI often interacts with local entities, particularly economic developers and key local leadership, when working to address specialized needs across the state. EI's interaction includes cluster-related briefings at local forums, the development and utilization of SitesOnTexas, and collaboration on individual projects.

- **Local Economic Development Councils** - Local EDCs work to expand and diversify the economy of the cities they represent by assisting existing businesses with expansion plans, as well as attracting new businesses. TWC works with local and regional economic development groups to provide commitment letters regarding the availability of Skills Development Funds to support growth in their local areas.

K. If contracted expenditures are made through this program please provide:

- a short summary of the general purpose of those contracts overall;
- the amount of those expenditures in fiscal year 2012;
- the number of contracts accounting for those expenditures;
- top five contracts by dollar amount, including contractor and purpose;
- the methods used to ensure accountability for funding and performance; and
- a short description of any current contracting problems.

Not applicable

L. Provide information on any grants awarded by the program.

Not applicable.

M. What statutory changes could be made to assist this program in performing its functions? Explain.

None at this time.

N. Provide any additional information needed to gain a preliminary understanding of the program or function.

EI contributes a unique perspective for the agency that evolving trends and needs in the labor markets are identified and prioritized. As a part of the division's external engagement, representatives from EI also serve as the Texas Workforce Commission appointees on various advisory boards, including:

- Jobs and Education for Texas Board (JET Board) – Agency Appointee
- Eagle Ford Consortium – Ex Officio Board Member
- North American Advanced Manufacturing Research Institute – Board Member

O. Regulatory programs relate to the licensing, registration, certification, or permitting of a person, business, or other entity. For each regulatory program, if applicable, describe:

- why the regulation is needed;
- the scope of, and procedures for, inspections or audits of regulated entities;
- follow-up activities conducted when non-compliance is identified;
- sanctions available to the agency to ensure compliance; and
- procedures for handling consumer/public complaints against regulated entities.

Not applicable.

P. For each regulatory program, if applicable, provide the following complaint information. The chart headings may be changed if needed to better reflect your agency's practices.

Not applicable.

A. Provide the following information at the beginning of each program description.

Name of Program or Function	Labor Market and Career Information (LMCI)
Location/Division	External Relations Division
Contact Name	Richard Froeschle, Director
Actual Expenditures, FY 2012	\$3,741,855
Number of Actual FTEs as of June 1, 2013	54.6 FTE
Statutory Citation for Program	Texas Labor Code, §302.002; 29 USC §49 et seq., 29 USC §§1, 2, 2b, 5, 8, 20; 40 TAC §843.1.

B. What is the objective of this program or function? Describe the major activities performed under this program.

TWC's Labor Market and Career Information Department's (LMCI) mission is to provide data collection, information development and data interpretation services to a wide variety of internal and external customers regarding the labor market dynamics of Texas and its regional economies. LMCI is composed of two, highly integrated units. BLS Operations is responsible for implementation of the Bureau of Labor Statistics (BLS) Federal-State Cooperative Agreement to collect labor market statistics on employment and wages. The Applied Decision Support is organized to analyze labor market & career information and develop and deliver various products and services connecting labor market trends and realities with the information needs of a broad user constituency.

The BLS Operations unit is responsible for four major programs: 1) the Occupational Employment Statistics (OES) program which collects and compiles occupational employment and wage data, 2) the Quarterly Census of Employment and Wages (QCEW) which compiles industry employment and payroll wage data from employer tax records and conducts industry coding validation for Texas employers, 3) the Current Employment Statistics (CES) program which is a monthly employer survey to collect and validate industry employment data, and 4) the Local Area Unemployment Statistics (LAUS) program under which monthly estimates of the civilian labor force, employment, unemployment and unemployment rates are generated.

Each of these statistical programs has their own unique but routine production reporting and file-transfer schedules as detailed below. The BLS funds and administers all the Federal-State Cooperative programs and provides conceptual, technical, and procedural guidance in all program activities. LMCI is responsible for data collection, insuring data quality, and publication in cooperation with the BLS. All programs follow standardized procedures described in detailed BLS Operating Manuals, as well as in the annual work statement and BLS technical memoranda.

Occupational Employment Statistics (OES) program Deliverables

The Occupational Employment Statistics (OES) program provides occupational employment and wage estimates for wage and salary workers annually for the 50 states, Metropolitan Statistical Areas, Balance of State areas (except where the MSAs exhaust the State), the District of Columbia, Puerto Rico, the Virgin Islands and Guam. A semi-annual sample survey of establishments is conducted to determine statewide and area occupational employment and wage distribution at the four-digit and selected five-digit North American Industry Classification System level.

Quarterly Census of Employment and Wages (QCEW) program Deliverables

The Quarterly Census of Employment and Wages (QCEW) provides data on monthly employment, total quarterly wages, taxable wages, employer contributions and other business identification information. The States prepare an Enhanced Quarterly Unemployment Insurance (EQUI) file each quarter. EQUI Name and Address File must be delivered to the BLS national office in order for the BLS to operate the QCEW program.

Current Employment Statistics (CES) program Deliverables

The Current Employment Statistics (CES) program is a nationwide monthly payroll survey of business establishments. CES provides current estimates of employment, hours, and earnings in industry and area detail for the 50 states, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands. Texas is responsible for providing feedback on local economic events and phenomena to BLS national office analysts and to review the preliminary estimates created by the BLS national office.

Local Area Unemployment Statistics (LAUS) program Deliverables

The Local Area Unemployment Statistics (LAUS) program provides monthly estimates of labor force, employment, unemployment, and unemployment rates for the U.S. Census Bureau regions and divisions, States, and substate areas. Geographic coverage includes metropolitan statistical areas, micropolitan statistical areas, metropolitan divisions, combined statistical areas, counties, selected cities, and other areas including local workforce boards.

The Applied Decision Support unit within LMCI is primarily funded under the annual Workforce Information Grant from DOL/Employment and Training Administration (ETA). The grant process requires states to determine and document innovative project activities that fall within each of the five required program areas of emphasis provided by ETA. Specific project activities vary each year; however the three major areas of emphasis are 1) data development, 2) dissemination, and 3) outreach and training. Within these three areas LMCI staff develops and maintains LMI web tools and average over eighty (80) presentations each year.

LMCI has designed and maintains nine (9) web-based applications designed to assist a wide range of customers from students making informed education and career choices, to economic development professionals analyzing the likely impact of a firm relocation to any region within Texas. Some examples of LMCI web-enabled data sets and analytical tools include:

The main LMCI web page provides easy access to all LMCI web applications and web-enabled versions of our hardcopy publications. The built-in Google tool bar facilitates quick and easy search for occupational and labor market information across all our sites. Also posted on the LMCI website are resources for parents, students and researchers that range from evaluation reports on student and workforce customer labor market outcomes to e-zine versions of LMCI tabloids *Career Success* and *Career Investigations*.

Texas CARES Online, a comprehensive career guidance and exploration system complete with information for Texas colleges and universities, provides information about opportunities in the Texas labor market, and work values and interest assessments. It also includes more than 400 occupational and career cluster videos.

Strategic Workforce Assessment Project (SWAP) is designed to answer questions relating to the workforce and skill implications of regional clusters and sectors. SWAP provides detailed work activity (DWA) or skill profiles for individual occupations and for occupational clusters critical to any user-defined industry cluster. SWAP provides a series of state and regional reports that offer actionable

information to inform training investment decisions, including baseline industry employment data and projections, customized cluster staffing patterns, extensive occupational characteristics data, industry and career cluster supply and demand reports, contextual training program data and a detailed skills gap analysis for any given region based on detailed work activities.

TRACER 2 provides a comprehensive repository of rich data time series plus inquiry capabilities for labor force, employment and unemployment estimates, industry and occupational projections, and occupational wage data. Also available through TRACER2 are quarterly detailed industry employment data, counts of employers by industry and size class distribution and payroll wages for every county in Texas. LMCI produces formal quarterly reports detailing data from the Quarterly Census of Employment and Wages, another LMCI data collection effort, and publishes a Texas Labor Market Review monthly newsletter highlighting monthly labor force estimates, both of which are published electronically on TRACER2.

Texas Industry Profiles (TIP) is the ultimate Texas economic development website. Designed primarily as a series of web-based analytical tools to provide in-depth understanding of the Texas economy, it offers 25 unique modules, each built to address critical economic development data challenges. Stand-alone modules in TIP include an Employer Contacts module to locate Texas business contact information, a Labor Availability Estimator (LAE) to assess the potential labor supply for a relocation prospect and a County Narrative Profiles (CNP) module that provides an in-depth narrative and statistical overview for any Texas county or combination of counties. TIP also includes sophisticated regional analysis tools such as location quotients and shift-share analysis, as well as a geographic information systems mapping tool to locate concentrations of industry clusters.

Texas Reality Check, as the name implies, is an online program to help students understand the relevance between educational attainment, career choice and lifestyle aspirations. The program allows students to make lifestyle choices, create a budget, and then view the occupations and preferred education levels that support those choices. Reality Check is one of the most popular and widely replicated web sites in the LMCI tool box and also features an iPhone application that is widely used.

SOCRATES is a web-based labor market planning tool that automates the entire TWC local workforce board targeted occupations planning process. SOCRATES captures the decision points behind each targeting selection and generates a series of purposeful, standardized reports documenting the final analysis. It includes all the necessary data to execute the planning process, yet allows for the insertion of "local wisdom" to augment outcomes based on labor market statistics.

Texas Work Prep is a complete learning management system offering "anytime, anywhere" access to three online courses; *Your Next Job*, designed to assist laid off workers reinvigorate their job search skills, the *Texas Job Hunters Guide*, a complete resource to finding a new job, and *Succeed At Work*, which teaches skills and tips for being successful on the job.

Texas AutoCoder is an online application that allows users to identify occupational information for job titles that are not within the Standard Occupational Classification (SOC) taxonomy. Employers use a vast array of payroll job titles for which the TWC/LMCI does not produce wages, projections or WorkInTexas.com job postings. AutoCoder is designed to convert these payroll job titles into the most appropriate SOC code for access to occupational characteristics data.

C. What evidence can you provide that shows the effectiveness and efficiency of this program or function? Provide a summary of key statistics and performance measures that best convey the effectiveness and efficiency of this function or program.

The two major LMCI program units have different funding sources and thus different performance and effectiveness metrics. The BLS program operations are highly regimented with fixed monthly, quarterly and annual deliverables. Successful submission of data files is defined as meeting the accuracy and completion standards established in the cooperative agreement. Because the data sets created by our BLS program unit contribute to national data sets, deviations in method, timeframe and statistical accuracy are not acceptable.

The Applied Decision Support unit has a different and broader set of performance expectations established with a greater degree of flexibility by the Employment and Training Administration of the U.S. Department of Labor (DOL). These standards fall into two general categories; 1) customer consultation, and 2) online access metrics demonstrating the degree to which the user community takes advantage of the materials promulgated by the department.

LMCI seeks to create a balanced operation, one which serves as the standard bearer of data quality while also expanding the application of data to a wider audience. Critical to that process are regular customer consultations. The Texas customer consultation strategy has five major components to achieve this balance. These five major strategies are:

1. Stay engaged in external applied labor market research –The best way for labor market information to stay relevant is to understand how regional labor markets are functioning and try to provide insights into those dynamics.

2. Have a strong Internet presence – Increasingly, customers want to conduct their own research and analysis. LMCI has nine different web tools, each built to address a specific customer need. For example, economic development professionals tend to be more sophisticated data users and need data tools that allow them to conduct occupational supply/demand analysis, create regional and comparative wage profiles and generate small area e.g. county-level, community profiles. Students, on the other hand, are more likely to need career guidance information customized around a decision-making process to help them determine their interests and work values, find out which occupations might be of particular interest and how the world of learning is connected to getting those jobs, i.e. what does one have to study, where can I go to get that instruction. Each of these diverse web tools is monitored so that we know where our customers are going and which data tools are generating the most interest. We maintain online feedback loops and customer support feeds to help us stay connected to customer concerns.

3. Maintain a presence in the field – Having an interactive Internet presence is important, but it is equally critical for our customers to see and interact with LMCI staff. LMCI staff conducted 81 presentations and workshops during the PY2012. Each of these events not only allowed us to communicate what we know about the labor market, but also to learn about customer data needs and challenges. LMCI staff also attends conferences and share ideas in order to cultivate personal relationships and participate in the brainstorming sessions that are so critical to innovation and addressing customer data needs. Sharing ideas with various constituents in conference settings is an extremely useful approach for generating new ideas and creating relevant products and services.

5. Stay involved with other state constituencies – LMCI has a broad constituency that spans many different customers. We maintain contacts with the Governor’s Office of Economic Development, the Texas Education Agency, Texas Higher Education Coordinating Board, Texas Department of

Rehabilitative Services and State Demographer’s Office, local workforce development boards and scores local chambers of commerce and independent school districts.

As far as online access, LMCI offers nine different end user applications to address the information needs of our various constituencies. All LMCI web based applications are monitored for user activity, assessing metrics such as sessions, bytes transferred, page views and the number of visitors. Counts of information disseminated, numbers of inquiries addressed and type of inquiry help determine user interest and guide product development efforts. Web use data for LMCI applications for PY2011 are provided below.

LMCI offers several applications geared toward regional workforce planning and analysis and economic development. Within these packages the most frequently visited pages involved employer contact information, occupational profiles and occupational projections data in that order. These results are not surprising as the more complex LMCI web applications, such as SOCRATES, SWAP and Texas Industry Profiles, offer enormous analytical power but are targeted for a much smaller audience of workforce planning and economic development professionals. Use of LMCI’s career information tools far surpasses those intended for other audiences.

Customer Use Metrics July 1, 2011 thru June 30, 2012				
Application	Sessions	Sessions per day	Page Views	Page Views per day
Texas CARES Online	605,726	1,655	11,106,827	30,346
LMCI Home Page	158,289	432	2,972,439	8,121
Industry Profiles	69,519	190	292,833	800
TRACER2		3		
		4	779,1	
	125,038	2	62	2,129
Texas Wages		3	13,66	
	11,515	2	1	37
SOCRATES		4	115,2	
	14,813	1	17	315
Texas Work Prep		7	81,53	
	25,611	0	4	223
All LMCI Sites (incl. RC)	1,130,832		18,663,375	

D. Describe any important history regarding this program not included in the general agency history section, including how the services or functions have changed from the original intent.

In 2003, the Labor Market Information (LMI) unit and the Career Development Resources (CDR) unit were merged with Research, Planning and Performance Management as part of a new Workforce Information Analysis and Reporting (WIAR) division within the TWC. This new division lasted just over two years before it was disbanded as part of a larger agency reorganization. When that division was disbanded, the LMI unit and the CDR unit proposed a merger to maximize available grant resources and achieve staff synergies. The new Labor Market and Career Information (LMCI) department was placed under the newly formed External Relations division within the agency.

Even though there have been changes to the organizational structure of the LMCI department over the years, the primary function of understanding and describing all aspects of labor market interactions and dynamics among job seekers, the education community and the business community at large has remained.

E. Describe who or what this program or function affects. List any qualifications or eligibility requirements for persons or entities affected. Provide a statistical breakdown of persons or entities affected.

Labor market information is essentially a public good, with no customer eligibility requirements. Our mandate from the Employment and Training Administration is to provide labor market information in support of state and local workforce services. This is our general mission, but there are no specific constituency or eligibility requirements associated with LMCI services.

F. Describe how your program or function is administered. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures. Indicate how field/regional services are used, if applicable.

The LMCI department has a Director II and two operations Director I. The BLS Operations Director has program managers for the four major programs under this responsibility. The Director of Applied Decision Support has two managers, one for Automated Follow-up and another for LMI Product Automation. The LMCI Director reports to the Director of the External Relations Division. LMCI is a state-level office and does not have regional offices or regional office counterparts or outstationed staff.

The BLS program function is defined under a detailed cooperative agreement that spells out in great detail specific deliverables and timelines for each data product produced for each program. In addition to the detailed contract, each program has a detailed operations manual that illustrates the policies, practices and procedures mandated by BLS.

G. Identify all funding sources and amounts for the program or function, including federal grants and pass-through monies. Describe any funding formulas or funding conventions. For state funding sources, please specify (e.g., general revenue, appropriations rider, budget strategy, fees/dues).

Funding Source FY 2012	Amount
Department of Labor Bureau of Labor Statistics	\$ 3,720,000
Department of Labor Employment and Training Administration	\$ 1,751,532
Interagency Contracts Texas Education Agency	\$ 150,000
Program Income	\$ 25,000

Program funding is linked to Strategy 1.2.3 of the 2012 Legislative Appropriation Request (LAR) and Strategy 2.1.2 Technical Assistance.

H. Identify any programs, internal or external to your agency, that provide identical or similar services or functions to the target population. Describe the similarities and differences.

There are no other programs, departments or operations within the TWC or within the state of Texas that provide identical or functionally similar functions.

I. Discuss how the program or function is coordinating its activities to avoid duplication or conflict with the other programs listed in Question H and with the agency's customers. If applicable, briefly discuss any memorandums of understanding (MOUs), interagency agreements, or interagency contracts.

Not applicable.

J. If the program or function works with local, regional, or federal units of government, include a brief description of these entities and their relationship to the agency.

The LMCI department works with local workforce boards to assist them in identifying industries and occupation in local demand and in compiling targeted occupations toward which training services should be directed.

K. If contracted expenditures are made through this program please provide:

- a short summary of the general purpose of those contracts overall;
- the amount of those expenditures in fiscal year 2012;
- the number of contracts accounting for those expenditures;
- top five contracts by dollar amount, including contractor and purpose;
- the methods used to ensure accountability for funding and performance; and
- a short description of any current contracting problems.

Not applicable

L. Provide information on any grants awarded by the program.

Not applicable

M. What statutory changes could be made to assist this program in performing its functions? Explain.

None at this time.

N. Provide any additional information needed to gain a preliminary understanding of the program or function.

None.

- O. Regulatory programs relate to the licensing, registration, certification, or permitting of a person, business, or other entity. For each regulatory program, if applicable, describe:**
- **why the regulation is needed;**
 - **the scope of, and procedures for, inspections or audits of regulated entities;**
 - **follow-up activities conducted when non-compliance is identified;**
 - **sanctions available to the agency to ensure compliance; and**
 - **procedures for handling consumer/public complaints against regulated entities.**

Not applicable.

- P. For each regulatory program, if applicable, provide the following complaint information. The chart headings may be changed if needed to better reflect your agency's practices.**

Not applicable.

A. Provide the following information at the beginning of each program description.

Name of Program or Function	Regulatory Integrity Division
Location/Division	Regulatory Integrity Division
Contact Name	John Moore
Actual Expenditures, FY 2012	\$11,859,077
Number of Actual FTEs as of June 1, 2013	206
Statutory Citation for Program	N/A

B. What is the objective of this program or function? Describe the major activities performed under this program.

To deter, prevent, detect, and eliminate fraud, waste, and abuse within TWC governed programs; evaluate and report performance; and improve compliance in order to foster on-going improvement with in the workforce system.

C. What evidence can you provide that shows the effectiveness and efficiency of this program or function? Provide a summary of key statistics and performance measures that best convey the effectiveness and efficiency of this function or program.

See attached summaries for the various departments within the Regulatory Integrity Division.

D. Describe any important history regarding this program not included in the general agency history section, including how the services or functions have changed from the original intent.

The Regulatory Integrity Division of the Texas Workforce Commission was created by the Executive Director, Larry Temple, in response to Governor Perry's Executive Order RP36 in 2005. All of the accountability functions of the Agency, which were originally scattered among the various divisions of the Agency, were combined into a new division. The intent of the Executive Director was to ensure that the accountability functions of the Agency were independent of the various departments.

Departments within the Division that ensure regulatory enforcement include: Subrecipient Monitoring, Equal Opportunity Compliance, Performance Analysis & Reporting, Collections & Civil Actions, Office of Investigations, Labor Law Investigations, Statistical Sampling, UI Benefits Investigations, Fraud Prosecutions, and Legal Enforcement Services.

E. Describe who or what this program or function affects. List any qualifications or eligibility requirements for persons or entities affected. Provide a statistical breakdown of persons or entities affected.

The Regulatory Integrity Division affects all aspects of the programs administered by the Texas Workforce Commission. The Regulatory Integrity Division assists internal and external stakeholders in the Workforce and Unemployment Insurance Systems to evaluate the overall effectiveness of the systems and provides them with information that can be used in decision making.

F. Describe how your program or function is administered. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures. Indicate how field/regional services are used, if applicable.

The Regulatory Integrity Division is made up of several departments which work together to help prevent, detect, and reduce fraud waste and program abuse within all TWC-governed programs as well as to assess, report, and evaluate performance of the system and the Local Workforce Development Boards. The departments are as follows: Subrecipient Monitoring, Equal Opportunity Compliance, Performance Analysis & Reporting, Collections & Civil Actions, Office of Investigations, Labor Law Investigations, Statistical Sampling, UI Benefits Investigations, Fraud Prosecutions, and Legal Enforcement Services.

See attached organizational chart for the Regulatory Integrity Division.

G. Identify all funding sources and amounts for the program or function, including federal grants and pass-through monies. Describe any funding formulas or funding conventions. For state funding sources, please specify (e.g., general revenue, appropriations rider, budget strategy, fees/dues).

Program	MOF	MOF Description	CFDA	CFDA Description	2012
Regulatory Integrity	M0001	General Revenue	00.000	Non Federal	225,568.07
Regulatory Integrity	M0165	Special Admin Fund	00.000	Non Federal	403,965.13
Regulatory Integrity	M0369	FED Amer Recovery & Reinvest	17.225	UI - ARRA - Sp Admin	24,183.37
Regulatory Integrity	M0369	FED Amer Recovery & Reinvest	17.260	WIA Dislocated Workers - ARRA	3,226.38
Regulatory Integrity	M0666	Appropriated Receipts	00.000	Non Federal	347.47
Regulatory Integrity	M0777	Interagency Contracts	00.000	Non Federal	3,568.96
Regulatory Integrity	M5026	Federal Fund	10.561	St Adm Mtch Grants Supp Nutr	78,373.55
Regulatory Integrity	M5026	Federal Fund	14.401	Fair Housing Asst Program	2,761.30
Regulatory Integrity	M5026	Federal Fund	17.002	Labor Force Statistics	7,771.03
Regulatory Integrity	M5026	Federal Fund	17.207	Employment Service	326,274.88
Regulatory Integrity	M5026	Federal Fund	17.207	LMI - ETA GRANT	3,219.73
Regulatory Integrity	M5026	Federal Fund	17.225	Unemployment Insurance	4,190,244.62
Regulatory Integrity	M5026	Federal Fund	17.235	Sr Community Svc Empl Program	3,928.48
Regulatory Integrity	M5026	Federal Fund	17.245	Trade Adj Assistance - Workers	15,436.79
Regulatory Integrity	M5026	Federal Fund	17.258	WIA Adult Program	790.93
Regulatory Integrity	M5026	Federal Fund	17.259	WIA Youth Activities	983,447.92
Regulatory Integrity	M5026	Federal Fund	17.260	WIA Dislocated Workers	814.42
Regulatory Integrity	M5026	Federal Fund	17.261	Emp & Training Admin Pilots	50.20
Regulatory Integrity	M5026	Federal Fund	17.271	WOTC	2,849.95
Regulatory Integrity	M5026	Federal Fund	17.273	Temp Labor Cert Foreign Wkrs	1,192.63
Regulatory Integrity	M5026	Federal Fund	17.277	WIA National Emergency Grants	1,774.87
Regulatory Integrity	M5026	Federal Fund	17.278	WIA Disl Worker Formula Grants	283.20
Regulatory Integrity	M5026	Federal Fund	30.002	Empl Disc St & Local Fair Empl	1,152.31
Regulatory Integrity	M5026	Federal Fund	93.558	Temporary Asst Needy Families	1,106,041.65
Regulatory Integrity	M5026	Federal Fund	93.575	Child Care & Develop Block Grt	1,009,151.28
Regulatory Integrity	M5026	Federal Fund	97.034	Disaster Unemployment Asst.	33.92
Regulatory Integrity	M5027	Federal Program Income	17.225	Unemployment Insurance	44,043.98
Regulatory Integrity	M8013	Career Schools	00.000	Non Federal	57,839.10
Regulatory Integrity	M8014	GR Match for Food Stamp Admin	00.000	Non Federal	78,373.69
Labor Law	M0165	Special Admin Fund	00.000	Non Federal	3,282,366.69

Program	LAR Ref.	Total
Workforce Investment Act	1.1.1	269,024
TANF Choices	1.1.3	307,142
Employment & Community Svcs	1.1.4	183,889
SNAP E&T	1.1.5	43,866
Trade Affected Wrkr Tr & Assis	1.1.6	11,148
Senior Employment Services	1.1.8	2,027
Skills Development	1.2.1	66,814
Child Care Administration	1.3.4	406,056
Unemployment Claims	1.4.1	2,648,611
Unemployment Tax Collection	1.4.3	1,234,342
Subrecipient Monitoring	2.1.1	2,432,724
Labor Law Inspections	2.1.3	391,247
Career Schools & Colleges	2.1.4	55,309
Central Administration	3.1.1	524,137
Information Resources	3.1.2	374

H. Identify any programs, internal or external to your agency, that provide identical or similar services or functions to the target population. Describe the similarities and differences.

Not applicable.

I. Discuss how the program or function is coordinating its activities to avoid duplication or conflict with the other programs listed in Question H and with the agency's customers. If applicable, briefly discuss any memorandums of understanding (MOUs), interagency agreements, or interagency contracts.

Not applicable.

J. If the program or function works with local, regional, or federal units of government, include a brief description of these entities and their relationship to the agency.

The Regulatory Integrity Division works with the U.S. Department of Labor, the U.S. Department of Education, the U.S. Department of Agriculture, the U.S. Attorneys for the various districts in Texas, The August 2013 84 Texas Workforce Commission

Federal Bureau of Investigations, the U.S. Postal Service; the United States Department of the Treasury, the Internal Revenue Service, The United States Department of Health and Human Services, the Office of the Attorney General for the state of Texas; the Texas Department of Health and Human Services, the District and County Attorneys for all counties in the state of Texas, all Sheriffs and Police Departments in the state of Texas, and the Universities and Community Colleges of Texas, to prevent, detect and reduce fraud, waste and program abuse and to ensure compliance in order to promote on-going improvement within the workforce system.

K. If contracted expenditures are made through this program please provide:

- a short summary of the general purpose of those contracts overall;
- the amount of those expenditures in fiscal year 2012;
- the number of contracts accounting for those expenditures;
- top five contracts by dollar amount, including contractor and purpose;
- the methods used to ensure accountability for funding and performance; and
- a short description of any current contracting problems.

- The Regulatory Integrity Division has a contract with a service of civil process company to serve subpoenas and other civil processes for the enforcement functions of the division.
- \$71,790.41
- 1
- N/A
- Under the terms and conditions of the contract, TWC has access to all information necessary to validate any statements and invoices of the contractor. This includes, but is not limited to, access for onsite observations, the ability to verify information with third parties, inspection of the contractor's records and inspection of plans for compliance.
- N/A

L. Provide information on any grants awarded by the program.

Not applicable.

M. What statutory changes could be made to assist this program in performing its functions? Explain.

Please see Major Issues section.

N. Provide any additional information needed to gain a preliminary understanding of the program or function.

Not applicable.

O. Regulatory programs relate to the licensing, registration, certification, or permitting of a person, business, or other entity. For each regulatory program, if applicable, describe:

- **why the regulation is needed;**
- **the scope of, and procedures for, inspections or audits of regulated entities;**
- **follow-up activities conducted when non-compliance is identified;**
- **sanctions available to the agency to ensure compliance; and**
- **procedures for handling consumer/public complaints against regulated entities.**

Not applicable.

P. For each regulatory program, if applicable, provide the following complaint information. The chart headings may be changed if needed to better reflect your agency's practices.

Not applicable.

A. Provide the following information at the beginning of each program description.

Name of Program or Function	Performance Analysis & Reporting (PAR)
Location/Division	Regulatory Integrity Division
Contact Name	Adam Leonard
Actual Expenditures, FY 2012	\$1,182,952
Number of Actual FTEs as of June 1, 2013	19
Statutory Citation for Program	N/A

B. What is the objective of this program or function? Describe the major activities performed under this program.

Performance Measure Development and Reporting:

- Evaluate, revise, and develop performance measures for internal management and the Strategic Plan;
- Develop performance reporting methodologies; and
- Prepare monthly, quarterly, and annual performance reports on state and federal performance and management measures for system monitoring, management, Strategic Planning and the LAR and to meet statutory reporting responsibilities.

Performance Analysis:

- Evaluate performance data;
- Identify limitations in data; and
- Apply modeling to predict future performance and evaluate performance results to see if outcomes are reasonable given factors outside of system's control (e.g. unexpected economic changes).

Ad Hoc Reporting:

- Prepare ad hoc reports based on customer requests to support program development and management.

Reporting/Analysis Tools Development:

- Work with customers to identify monitoring needs; and
- Develop standard tools that allow users to more easily evaluate system data

C. What evidence can you provide that shows the effectiveness and efficiency of this program or function? Provide a summary of key statistics and performance measures that best convey the effectiveness and efficiency of this function or program.

TWC's PAR department is nationally recognized as a leader in workforce system analysis and reporting. The department regularly consults with other states and federal agencies to help develop and drive process improvement within the reporting sphere. Texas was one of the first states to implement the federal Common Measures and did so more fully than other states by applying the measures to all of

TWC's workforce programs, not just WIA, Wagner-Peyser, and TAA which were the only national programs to use the measures for many years. Common measures helped TWC improve service integration by removing disincentives that existed when each program had their own set of measures with similar goals but dramatically different methodologies.

Texas, along with Pennsylvania, was the first to pilot a new integrated reporting system called the Workforce Information Streamlined Performance Report (WISPR) which replaced a nearly a dozen separate, siloed quarterly program reports with three integrated reports. The system was initially designed by DOL but PAR completely redeveloped it over the last two years and it is this redesigned system that is being rolled out to other states.

PAR works closely with internal and external stakeholders to continuously refine performance measures and target setting methodologies to better serve their needs.

D. Describe any important history regarding this program not included in the general agency history section, including how the services or functions have changed from the original intent.

Performance Analysis and Reporting was initially created from the Performance Reporting section of the Workforce Development Division and the agency's planning department. The department was eventually moved into what became the Regulatory Integrity Division in order to provide a separation between the operational areas of the agency and those responsible for determining and evaluating levels of performance.

E. Describe who or what this program or function affects. List any qualifications or eligibility requirements for persons or entities affected. Provide a statistical breakdown of persons or entities affected.

PAR's products are primarily used by local Boards & their contractors, TWC staff & commissioners, and external stakeholders such as U.S. Department of Labor (DOL), Health and Human Services, the Texas Veterans Commission, the Legislative Budget Board and the Texas Workforce Investment Council. The products help internal and external stakeholders evaluate the overall system and program effectiveness and provide them information that can be used to made decisions.

F. Describe how your program or function is administered. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures. Indicate how field/regional services are used, if applicable.

Setting Performance Measures and Targets is an annual or biennial process that generally occurs on a predictable schedule.

- State measures are set through the strategic planning process in the spring of even numbered years and target requests are submitted as part of the Legislative Appropriations Request. Targets are generally set using trend data and an evaluation of caseloads and economic conditions.
- Federal measures generally set by the appropriate federal agency (if not specified in statute). Targets usually negotiated after consideration of performance trends and an evaluation of caseloads and economic conditions. For some measures, TWC uses a set of regression models developed by DOL and the Upjohn Institute with PAR's input. These negotiations usually occur

in the May to June timeframe each year though the exact dates vary from year to year depending on when DOL publishes their negotiation guidance.

- Board measures for the new year are usually selected in May and then targets are set over the course of the next three months. TWC has a Measurement Matters workgroup made up of staff from nearly half the Boards to provide input on performance-related matters. In addition, Boards have the opportunity to renegotiate targets during the course of the year and often provide input that is used to help refine either measures or target methodologies.

Once a measure is selected, it is defined with a detailed explanation of its calculation methodology including the data source(s). Generally a performance report is developed with TWC's IT department and a standard operating procedure (SOP) is written to ensure that measure is accurately reported consistently. In addition to having standard reports and following SOPs PAR generally takes snapshots of the source data as it existed at the time a report was run to meet audit and retention requirements.

Ad hoc reporting is by its very nature less defined. The department performs analysis that runs as simple as getting counts of customers served who meet various conditions (such as TANF recipients without a high school diploma/GED) to much more complicated work such as developing a statistical model to be used to determine who is most likely to exhaust their state funded UI benefits and thus should be prioritized for outreach. PAR is particularly careful when handling ad hoc requests to clearly understand the requestor's needs and to communicate any limitations or assumptions in the analysis.

G. Identify all funding sources and amounts for the program or function, including federal grants and pass-through monies. Describe any funding formulas or funding conventions. For state funding sources, please specify (e.g., general revenue, appropriations rider, budget strategy, fees/dues).

Please see Section G under "Regulatory Integrity Division."

H. Identify any programs, internal or external to your agency, that provide identical or similar services or functions to the target population. Describe the similarities and differences.

PAR performs reporting and analytic functions for TWC and its stakeholders. While it is likely that most programs external to TWC have similar responsibilities, it is not feasible for those programs to perform this responsibility since they do not have access to the data.

I. Discuss how the program or function is coordinating its activities to avoid duplication or conflict with the other programs listed in Question H and with the agency's customers. If applicable, briefly discuss any memorandums of understanding (MOUs), interagency agreements, or interagency contracts.

Although TWC has other analytical resources available in the agency, PAR's responsibilities (particularly regarding target setting and performance analysis/reporting) are well defined and do not overlap with other agency resources.

J. If the program or function works with local, regional, or federal units of government, include a brief description of these entities and their relationship to the agency.

PAR works with Local Workforce Development Boards to evaluate performance, negotiate targets, and develop performance measures and performance reporting tools. PAR similarly works with federal oversight agencies such as the U.S. Department of Labor to negotiate targets, develop performance measures and performance reporting tools.

K. If contracted expenditures are made through this program please provide:

- a short summary of the general purpose of those contracts overall;
- the amount of those expenditures in fiscal year 2012;
- the number of contracts accounting for those expenditures;
- top five contracts by dollar amount, including contractor and purpose;
- the methods used to ensure accountability for funding and performance; and
- a short description of any current contracting problems.

Not applicable.

L. Provide information on any grants awarded by the program.

Not applicable.

M. What statutory changes could be made to assist this program in performing its functions? Explain.

Nothing at this time.

N. Provide any additional information needed to gain a preliminary understanding of the program or function.

Not applicable.

O. Regulatory programs relate to the licensing, registration, certification, or permitting of a person, business, or other entity. For each regulatory program, if applicable, describe:

- why the regulation is needed;
- the scope of, and procedures for, inspections or audits of regulated entities;
- follow-up activities conducted when non-compliance is identified;
- sanctions available to the agency to ensure compliance; and
- procedures for handling consumer/public complaints against regulated entities.

Not applicable.

**P. For each regulatory program, if applicable, provide the following complaint information.
The chart headings may be changed if needed to better reflect your agency's practices.**

Not applicable.

A. Provide the following information at the beginning of each program description.

Name of Program or Function	Office of Investigations / Special Investigations
Location/Division	Regulatory Integrity Division
Contact Name	Brad Ward
Actual Expenditures, FY 2012	\$1,563,334
Number of Actual FTEs as of June 1, 2013	8
Statutory Citation for Program	Authority to investigate is authorized to the Texas Workforce Commission in Vernon's Texas Code Annotated, Labor Code § 301.071(a) and (b), and § 302.002(b) Texas Executive Order RP36, Relating to Preventing, Detecting and Eliminating Fraud, Waste and Abuse – issued by Governor Perry (July 12, 2004)

B. What is the objective of this program or function? Describe the major activities performed under this program.

The mission of the Office of Investigations is to support Texas Workforce Commission's (TWC) commitment to the highest standards of accountability in its handling and expenditure of public funds. This is accomplished by providing selected inquiry and investigative services pertaining to allegations of fraud, theft, program abuse, or misconduct.

The Office of Investigations encompasses the areas of Benefits Payment Control Investigations; Labor Law Investigations; and Special Investigations.

The Office of Investigations / Special Investigations performs the following critical functions:

- Conducts investigations of allegations of fraud, theft, waste, misconduct and program abuse
- Presents evidence in the prosecution of criminal investigations;
- Acts as a clearinghouse for Workforce Board level investigations of Child Care Program fraud
- Develops and conducts fraud prevention/detection and fact-finding training for Workforce Board/Contractor employees
- Provides investigative technical guidance and consultation to Workforce Board/Contractor employees
- Provides investigative assistance to local/state/federal law enforcement agencies
- Manages TWC's Fraud Hotline

C. What evidence can you provide that shows the effectiveness and efficiency of this program or function? Provide a summary of key statistics and performance measures that best convey the effectiveness and efficiency of this function or program.

Fiscal Year 2012 – 161 Investigations Completed

Child Care	103*
Choices	3
Internal	14
National Emergency Grant (EG)	1
Tax	1
Unemployment Insurance	28
WIA	5
Miscellaneous	6
Total	161
Resulting UI Fraud/Non-Fraud Overpayments	\$572,223
Resulting Court Ordered Restitution	\$266,699 (subset of OPs)
Resulting Administrative Action	\$300,000
Anti-Fraud Training Sessions	7

*On most cases, the Board/Contractor staff completed the fact-finding with the Office of Investigations providing technical support.

D. Describe any important history regarding this program not included in the general agency history section, including how the services or functions have changed from the original intent.

Office of Investigations’ services and functions are evolving from a “Pay and Chase” (**detect** and collect) methodology to a “Pay Accurately” (**prevent** waste, fraud and program abuse) methodology by implementing controls within TWC programs. OI works closely with the UI and IT divisions to implement process and automation changes that help ensure that payments are timely and accurately made and overpayments (whether accidental or fraudulent) are prevented.

E. Describe who or what this program or function affects. List any qualifications or eligibility requirements for persons or entities affected. Provide a statistical breakdown of persons or entities affected.

To safeguard the integrity and public trust of the Texas Workforce Commission (TWC) and to protect its funds, the Office of Investigations of the Regulatory Integrity Division (RID) is authorized by the Commission to conduct investigations to determine whether violations of state or federal laws or regulations, or TWC policies, have been committed and to determine if criminal activity is involved.

TWC’s anti-fraud policy and procedures aid in the prevention and detection of fraud, waste, and abuse that may impact agency operations or the programs it administers. TWC’s policy applies to employees, consultants, vendors, contractors, system participants, and other persons/entities doing business with TWC.

F. Describe how your program or function is administered. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures. Indicate how field/regional services are used, if applicable.

The Office of Investigations / Special Investigations is organized within the Regulatory Integrity Division (RID) of TWC, with the Division Director reporting to the Executive Director.

The Office of Investigations (OI) consists of one person who directly manages Special Investigations and directs Benefit Payment Control (BPC) and Labor Law Investigations.

Special Investigations consists of the following seven employees:

- 1 Supervising Investigator
- 3 Investigators (All Programs)
- 2 Child Care Program Investigators
- 1 Systems Analyst

As a department within RID, the Office of Investigations (OI) has primary responsibility for administering the investigation of reports of suspected fraudulent acts and for coordinating investigative activities with Internal Audit, Office of General Counsel, Human Resources Management, local workforce boards and as necessary, appropriate external law enforcement and other oversight agencies.

OI will make every effort to protect the rights and the reputations of those involved in an investigation involving allegations of fraud, including the employee/complainant who reports alleged fraud, the individual(s) interviewed during the resultant investigation, and the individual(s)/entity(s) against whom the allegations were made.

In the event that an investigation substantiates that fraudulent activities have occurred, the OI will prepare and distribute, as appropriate, a report to appropriate management personnel and the Executive Director. To avoid any appearance of bias, the OI should not be involved in any disciplinary process that may result from an investigation it conducted. Any planned disciplinary action must be coordinated with Human Resources, Office of General Counsel, Regulatory Integrity Division, and if necessary, outside counsel.

When the OI has reasonable cause to believe that money received from the state by the department or entity or by a client or contractor of the department or entity may have been lost, misappropriated, or misused, or that fraudulent or unlawful conduct has occurred in relation to the department or entity, the OI shall report the reason and basis to the State Auditor's Office in accordance with Texas Government Code §321.022. OI will report once a month during the same week the monthly OI Operations Update is provided to the RID Director; and on a case-by-case basis when a case of interest to the State Auditor's Office is opened. Exceptions to this reporting requirement are as follows:

- Losses involving client eligibility
- Human Resources issues or complaints
- Losses involving fraud/unlawful conduct by unemployment insurance claimants
- Internal agency matters not involving losses due to fraudulent/unlawful conduct
- Investigation Issues

Issues that should be reported to OI for action include fraud, policy violations and employee misconduct.

Fraud and criminal malfeasance is any deliberate action in violation of federal or state statutes. Fraud is defined as any deliberate act or failure to act with the purpose of obtaining an unauthorized benefit or gain. Fraud also includes the false representation or concealment of a material fact for the purpose of inducing another to act upon it to his or her injury.

An employee may use an Incident Report (Form RID-32), which is available on TWC's Intranet (click "Forms"/ click "General"), and attach any associated documents. The RID-32 and any attachments may be faxed to (512) 936-3280 or mailed to the following address:

Texas Workforce Commission
Regulatory Integrity Division
Office of Investigations
101 East 15th Street, Room 104A-T
Austin, Texas 78778-0001

An employee or other complainant may also use the TWC Fraud and Program Abuse Hotline (800-252-3642) to report suspected fraud or program abuse of TWC programs. The hotline is available 24 hours a day, 7 days a week to receive reports of suspected fraud, waste, or program abuse. The hotline permits reporting of matters anonymously, if desired. The hotline poster (OPI-21 English version and OPI-21s Spanish version are available on the TWC intranet under General forms).

The TWC website <http://www.twc.state.tx.us/> also provides instructions for "Fraud Reporting" <http://www.twc.state.tx.us/ui/bnfts/uifraud.html>. Also, a complaint may be submitted via the Internet by email to TWC at twc.fraud@twc.state.tx.us or the State Auditor's Office at <http://sao.fraud.state.tx.us/Default.aspx>.

Failure of any TWC employee to promptly report any violation could result in disciplinary action up to and including termination of employment.

An employee or other complainant who reports suspected fraudulent activities is not privy to details or other information gathered during the investigation, while it is in progress. Investigation results are not routinely disclosed or discussed with anyone other than those who have a legitimate need to know. If an allegation was not made anonymously, a summary report stating whether or not the allegation was substantiated may be submitted to the employee / complainant. If additional details are desired, the employee/complainant may make such a request by submitting a formal request under the Public Information Act to TWC Open Records.

Because of the potential for damaging the reputation of an innocent party if a false allegation is made, a TWC employee who knowingly reports false or misleading information regarding suspected fraud is subject to disciplinary action, up to and including termination of employment.

G. Identify all funding sources and amounts for the program or function, including federal grants and pass-through monies. Describe any funding formulas or funding conventions. For state funding sources, please specify (e.g., general revenue, appropriations rider, budget strategy, fees/dues).

Please see Section G of "Regulatory Integrity Division."

H. Identify any programs, internal or external to your agency, that provide identical or similar services or functions to the target population. Describe the similarities and differences.

The U.S. Department of Labor Office of Inspector General (DOL-OIG) investigates fraud, waste and abuse of all DOL programs. The Office of Investigations (OI) often conducts joint investigations with DOL-OIG. Additionally, OI coordinates with other Federal Agencies, as applicable (Postal-OIF, HUD-OIG, DOE-OIG, etc.). Also, where interests overlap, OI works with or assists state agencies, such as HHSC-OIG or the OAG investigators.

When allegations of fraud, theft, program abuse, or violations of State or federal law are brought to the attention of the Office of Investigations, the following may occur:

- The allegation may be elevated to the appropriate state or federal authority
- The allegation may be accepted for investigation and/or action at the state level

Conducting Investigations with Federal / Outside Agencies

When not directed by law, regulations or policy, the Director, Office of Investigations (OI) will determine when it is appropriate to partner with federal or outside agencies on conducting investigations. When required, the supervising investigator will prepare the incident reports to notify federal and outside agencies of an incident detected by or reported to OI. Based on DOL-OIG's mission and OI's mission, many incidents will be reported and DOL-OIG will assign a Special Agent (SA) to the case. Likewise, DOL-OIG will often request TWC OI's assistance on a case. DOL-OIG special agents are commissioned federal law enforcement officers. Each TWC investigator must become familiar with DOL-OIG SA's authority and operating procedures. TWC investigators represent the state, TWC and themselves in a professional and courteous manner at all times. If an investigator has any questions, issues or concerns during or about joint operations with other agencies, they direct them to their supervising investigator for resolution.

OI typically partners with federal or state agency investigators on investigations involving suspected criminal activity against a TWC program with the shared aim to refer the investigation results for criminal prosecution. While TWC investigators are not commissioned peace officers, typically other federal agents or state investigators are. This law enforcement authority assists in obtaining search warrants and provides the flexibility during investigations not otherwise available to OI investigators.

I. Discuss how the program or function is coordinating its activities to avoid duplication or conflict with the other programs listed in Question H and with the agency's customers. If applicable, briefly discuss any memorandums of understanding (MOUs), interagency agreements, or interagency contracts.

DOL Employment and Training Administration (ETA) issued a Guidance Letter Number 2-12, "Grant Recipient Responsibilities for Reporting Instances of Suspected Fraud, Program Abuse and Criminal Conduct" on July 12, 2012. This Training and Employment Guidance Letter (TEGL) provided DOL's policy and procedures for reporting and investigating allegations of wrongdoing or misconduct to include allegations of suspected fraud, program abuse, and criminal conduct involving grantees or other entities and subrecipients receiving federal funds either directly or indirectly from ETA.

J. If the program or function works with local, regional, or federal units of government, include a brief description of these entities and their relationship to the agency.

See Item H above.

K. If contracted expenditures are made through this program please provide:

- a short summary of the general purpose of those contracts overall;
- the amount of those expenditures in fiscal year 2012;
- the number of contracts accounting for those expenditures;
- top five contracts by dollar amount, including contractor and purpose;
- the methods used to ensure accountability for funding and performance; and
- a short description of any current contracting problems.

RID is currently developing a \$2,861,149 project to enhance fraud discovery in the Unemployment Insurance (UI) program, called Improve Fraud Discovery. The projects goals and objectives are as follows:

- Improve TWC's ability to discover fraud and suspicious patterns (especially identity theft, misclassifications, and large-scale schemes) through implementing new tools and enabling more efficient and effective investigative processes.
- Provide stronger evidence to support corrective or legal action.
- Enable investigators to generate their own queries and reports as needed and without requiring direct support from technical resources.
- Reduce time spent investigating lower value and false positive types of cases, because the solution helps investigators identify and focus on those cases that have the greatest potential for returned value on investigative effort expended.
- Once the solution is fully implemented, equip TWC to identify or prevent up to \$2 million worth of otherwise undetected fraud per year, and reduce by 10% the investigation time currently required to research a suspected fraud case.

TWC is also contracting with Appriss Inc. for \$17,000 a month to obtain nationwide incarceration data to prevent incarcerated UI claimants from obtaining UI benefits while in jail. Under this contract, TWC will receive 100 complimentary JusticeXchange licenses (valued at \$85 a month) to perform real-time incarceration queries to verify a claimant's eligibility.

L. Provide information on any grants awarded by the program.

Not applicable.

M. What statutory changes could be made to assist this program in performing its functions? Explain.

None.

N. Provide any additional information needed to gain a preliminary understanding of the program or function.

Texas Executive Order RP36, Relating to Preventing, Detecting and Eliminating Fraud, Waste and Abuse – issued by Governor Perry (July 12, 2004), directs TWC to “develop innovative strategies to address benefit fraud and claims overpayments” and “identify cost-effective strategies designed to eliminate fraud [and] reduce benefit payment inaccuracies.”

O. Regulatory programs relate to the licensing, registration, certification, or permitting of a person, business, or other entity. For each regulatory program, if applicable, describe:

- why the regulation is needed;
- the scope of, and procedures for, inspections or audits of regulated entities;
- follow-up activities conducted when non-compliance is identified;
- sanctions available to the agency to ensure compliance; and
- procedures for handling consumer/public complaints against regulated entities.

Not applicable.

P. For each regulatory program, if applicable, provide the following complaint information. The chart headings may be changed if needed to better reflect your agency’s practices.

Not applicable.

A. Provide the following information at the beginning of each program description.

Name of Program or Function	Benefit Payment Control Investigations
Location/Division	Regulatory Integrity Division
Contact Name	John McLandrich
Actual Expenditures, FY 2012	\$1,077,196
Number of Actual FTEs as of June 1, 2013	31
Statutory Citation for Program	Texas Unemployment Compensation Act, Chapter 214

B. What is the objective of this program or function? Describe the major activities performed under this program.

Benefit Payment Control (BPC) is an Unemployment Insurance (UI) program required by the U.S. Department of Labor (DOL). The objective of the program is to promote and maintain integrity of the UI program through prevention, detection, investigation, establishment, recovery and prosecution of UI overpayments made to claimants. Preventing and detecting improper payments and recovering benefit overpayments, whether fraudulent or not, are among DOL's highest priorities.

C. What evidence can you provide that shows the effectiveness and efficiency of this program or function? Provide a summary of key statistics and performance measures that best convey the effectiveness and efficiency of this function or program.

Cross match programs have been automated to detect and establish UI overpayments as soon as possible. In 2010 and 2012 TWC established the greatest number of overpayments in the nation using the (1) State Directory of New Hire, (2) the National Directory of New Hire and (3) cross checking quarterly wage reports with UI benefits filed in the same quarter. In 2011, TWC was second in the nation. DOL measures states with an "Acceptable Level of Performance" for the detection of overpayments with an expectation of between 50% and 95%. This measure is calculated by dividing actual overpayments established by estimated overpayments. In CY 2010, 2011 and 2012, TWC achieved 71.15%, 77.48% and 93.40%, respectively.

D. Describe any important history regarding this program not included in the general agency history section, including how the services or functions have changed from the original intent.

In 2004 the detection, investigation, establishment, recovery and prosecution of UI overpayments was moved from the UI division to a newly formed Program Integrity Division. In 2009, the Program Integrity Division and Regulatory Enforcement Division merged to form the Regulatory Integrity Division. Prevention activities remain in the UI division.

E. Describe who or what this program or function affects. List any qualifications or eligibility requirements for persons or entities affected. Provide a statistical breakdown of persons or entities affected.

The program primarily affects people (claimants) who were overpaid UI benefits. Claimants can remain eligible to receive UI benefits as long as there are funds to draw from and they meet eligibility requirements such as being registered for work, being able and available for work, and making an active search for work. A claimant can receive partial UI benefits when working part time but becomes ineligible when they begin working full time. In FY 2012, BPC investigations completed 114,397 cases and established \$81,695,175 in overpaid UI benefits. It is estimated that 50% of these overpayments were due to claimants concealing employment.

F. Describe how your program or function is administered. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures. Indicate how field/regional services are used, if applicable.

The program emanates from provisions of the Social Security Act and Internal Revenue Code through the US Secretary of Labor and is administered in the State of Texas by the Texas Workforce Commission.

G. Identify all funding sources and amounts for the program or function, including federal grants and pass-through monies. Describe any funding formulas or funding conventions. For state funding sources, please specify (e.g., general revenue, appropriations rider, budget strategy, fees/dues).

Please see Section G of “Regulatory Integrity Division.”

H. Identify any programs, internal or external to your agency, that provide identical or similar services or functions to the target population. Describe the similarities and differences.

The Unemployment Insurance (UI) Division provides similar services by conducting some investigations received through local office tips.

I. Discuss how the program or function is coordinating its activities to avoid duplication or conflict with the other programs listed in Question H and with the agency’s customers. If applicable, briefly discuss any memorandums of understanding (MOUs), interagency agreements, or interagency contracts.

Since one UI benefit system mainframe is used by the agency there is little opportunity for duplication.

J. If the program or function works with local, regional, or federal units of government, include a brief description of these entities and their relationship to the agency.

DOL issues program letters, support, guidance and sets performance standards.

K. If contracted expenditures are made through this program please provide:

- a short summary of the general purpose of those contracts overall;
- the amount of those expenditures in fiscal year 2012;
- the number of contracts accounting for those expenditures;
- top five contracts by dollar amount, including contractor and purpose;
- the methods used to ensure accountability for funding and performance; and
- a short description of any current contracting problems.

Not applicable.

L. Provide information on any grants awarded by the program.

Not applicable.

M. What statutory changes could be made to assist this program in performing its functions? Explain.

None at this time.

N. Provide any additional information needed to gain a preliminary understanding of the program or function.

Following are the last four calendar years of performance data produced by TWC's BPC investigations.

Overpayment Detection Method	Dollars Established Non fraud	Dollars Established Fraud	Total
Wage/Benefit cross match	\$15,830,331	\$1,821,768	\$17,652,099
Interstate cross match	\$159,944	\$9,315	\$169,259
New Hire cross match	\$13,411,401	\$2,239,501	\$15,650,902
Other controllable	\$0	\$2,619,747	\$2,619,747
Non - controllable	\$0	\$2,184,633	\$2,184,633
Total - BPC Investigations department	\$29,401,676	\$8,874,964	\$38,276,640
<i># of investigators</i>	23	23	23
Overpayments established per investigator	1,278,334	\$385,868	\$1,664,202
Operating cost CY 2009	\$837,784		

This data represents January 2009 to December 2009

Overpayment Detection Method	Dollars Established Non fraud	Dollars Established Fraud	Total
Wage/Benefit cross match	\$23,960,037	\$6,528,871	\$30,488,908
Interstate cross match	\$246,881	\$7,863	\$254,744
New Hire cross match	\$19,425,664	\$2,495,046	\$21,920,710
Other controllable	\$0	\$9,708,698	\$9,708,698
Non - controllable	\$0	\$5,190,684	\$5,190,684
Total - BPC Investigations department	\$43,632,582	\$23,931,162	\$67,563,744
<i># of investigators</i>	23	23	23
Overpayments established per investigator	\$1,897,069	\$1,040,485	\$2,937,554
Operating cost CY 2010	\$964,297		

This data represents January 2010 to December 2010

Overpayment Detection Method	Dollars Established Non fraud	Dollars Established Fraud	Total
Wage/Benefit cross match	\$36,947,333	\$3,452,160	\$40,399,493
Interstate cross match	\$445,820	\$11,236	\$457,056
New Hire cross match	\$19,368,467	\$2,172,971	\$21,541,438
Other controllable	\$0	\$13,224,471	\$13,224,471
Non - controllable	\$0	\$6,288,432	\$6,288,432
Total - BPC Investigations department	\$56,761,620	\$25,149,270	\$81,910,890
<i># of investigators</i>	30	30	30
Overpayments established per investigator	\$1,892,054	\$838,309	\$2,730,363
Operating cost CY 2011	\$950,089		

This data represents January 2011 to December 2011

Overpayment Detection Method	Dollars Established Non fraud	Dollars Established Fraud	Total
Wage/Benefit cross match	\$28,727,192	\$5,704,097	\$34,431,289
Interstate cross match	\$173,284	\$944	\$174,228
New Hire cross match	\$19,497,914	\$2,285,216	\$21,783,130
Other controllable	\$0	\$12,498,724	\$12,498,724
Non - controllable	\$0	\$6,177,391	\$6,177,391
Total - BPC Investigations department	\$48,398,390	\$26,666,372	\$75,064,762
<i># of investigators</i>	32	32	32
Overpayments established per investigator	\$1,512,450	\$833,324	\$2,345,774
Operating cost CY 2012	\$1,077,193		

This data represents January 2012 to December 2012

Overpayment Detection Method	No. of	No. of Overpayments	Total
	Overpayments Non fraud		
Wage/Benefit cross match	24,616	690	25,306
Interstate cross match	219	4	223
New Hire cross match	33,973	1,443	35,416
Other controllable	0	980	980
Non - controllable	0	1,036	1,036
Total - BPC Investigations department	58,808	4,153	62,961
<i># of investigators</i>	23	23	23
Overpayments established per investigator	2,557	181	2,737

This data represents January 2009 to December 2009

Overpayment Detection Method	No. of	No. of Overpayments	Total
	Overpayments Non fraud		
Wage/Benefit cross match	40,480	2,058	42,538
Interstate cross match	415	3	418
New Hire cross match	50,533	1,678	52,211
Other controllable	0	3,157	3,157
Non - controllable	0	2,003	2,003
Total - BPC Investigations department	91,428	8,899	100,327
<i># of investigators</i>	23	23	23
Overpayments established per investigator	3,975	387	4,362

This data represents January 2010 to December 2010

Overpayment Detection Method	No. of		Total
	Overpayments Non fraud	No. of Overpayments Fraud	
Wage/Benefit cross match	52,733	1,281	54,014
Interstate cross match	416	3	419
New Hire cross match	51,124	1,388	52,512
Other controllable	0	4,077	4,077
Non - controllable	0	2,128	2,128
Total - BPC Investigations department	104,273	8,877	113,150
<i># of investigators</i>	30	30	30
Overpayments established per investigator	3,476	296	3,772

This data represents January 2011 to December 2011

Overpayment Detection Method	No. of		Total
	Overpayments Non fraud	No. of Overpayments Fraud	
Wage/Benefit cross match	44,671	2,348	47,019
Interstate cross match	165	1	166
New Hire cross match	50,569	1,723	52,292
Other controllable	0	3,924	3,924
Non - controllable	0	2,772	2,772
Total - BPC Investigations department	95,405	10,768	106,173
<i># of investigators</i>	32	32	32
Overpayments established per investigator	2,981	337	3,318

This data represents January 2012 to December 2012

O. Regulatory programs relate to the licensing, registration, certification, or permitting of a person, business, or other entity. For each regulatory program, if applicable, describe:

- why the regulation is needed;
- the scope of, and procedures for, inspections or audits of regulated entities;
- follow-up activities conducted when non-compliance is identified;
- sanctions available to the agency to ensure compliance; and
- procedures for handling consumer/public complaints against regulated entities.

Not applicable.

P. For each regulatory program, if applicable, provide the following complaint information. The chart headings may be changed if needed to better reflect your agency's practices.

Not applicable.

A. Provide the following information at the beginning of each program description.

Name of Program or Function	Labor Law Investigations
Location/Division	Regulatory Integrity Division
Contact Name	Jerry Ramos
Actual Expenditures, FY 2012	\$1,623,195
Number of Actual FTEs as of June 1, 2013	39
Statutory Citation for Program	Chapters 51, 61, and 62 of the Texas Labor Code

B. What is the objective of this program or function? Describe the major activities performed under this program.

The Labor Law Investigations Department ensures the timely payment of workers' wages and safeguards the safety, health, and well-being of children in the workplace through the administration of the Texas Payday Law and the Texas Child Labor Law. While the agency does not have enforcement authority under the Texas Minimum Wage Act, it does disseminate information to the public.

Payday Law Program

Through the Texas Labor Code, Chapter 61, and Chapter 821 of the TWC Rules (40 TAC 821), TWC provides an administrative alternative to costly litigation in resolving pay disputes between private sector employers and employees by assisting employees in obtaining payment of owed wages. This is accomplished by conducting wage complaint investigations, issuing written decisions [that are appealable], and collecting unpaid wages.

Child Labor Law Program

Through the Texas Labor Code, Chapter 51, and Chapter 817 of the TWC Rules (40 TAC 817), TWC ensures that children are not employed in occupations and under conditions that are detrimental to their safety, health, and well-being by responding to complaints, conducting on-site inspections, and educational outreach.

Minimum Wage Act

Texas Labor Code, Chapter 62, requires the agency to disseminate information about the rights and responsibilities of employer and employees under the Act. Violations of the Act are enforceable through a private cause of action in court.

C. What evidence can you provide that shows the effectiveness and efficiency of this program or function? Provide a summary of key statistics and performance measures that best convey the effectiveness and efficiency of this function or program.

Payday Law Program

Legislative Budget Board Cumulative Measure – Number of Payday Law Decisions Issued

Payday Investigations	FY10	FY11	FY12
Number of Wage Claims Received	15,247	15,915	17,138
Number of Wage Claims Investigated/Decisions Issued	18,304	16,648	16,387
Amount of Wages Ordered Due	\$13,351,650	\$11,140,712	\$13,826,196
Amount of Wages Collected	\$6,617,148	\$6,905,995	\$6,539,307

Child Labor Law Program

Legislative Budget Board Cumulative Measure – Number of On-site Inspections Completed for Texas Child Labor Law Compliance.

Child Labor Inspections	FY10	FY11	FY12
Number of Telephone Inquiries	412	326	376
Number of Inspections	2,703	2,583	2,523
Number of Violations	189	126	210

D. Describe any important history regarding this program not included in the general agency history section, including how the services or functions have changed from the original intent.

The services and functions have not changed from the original intent of the Payday and Child labor programs.

The Payday Law Program serves to protect employees who have not been paid earned wages.

The Child Labor Law Program safeguards working children.

E. Describe who or what this program or function affects. List any qualifications or eligibility requirements for persons or entities affected. Provide a statistical breakdown of persons or entities affected.

The Texas Payday Law and associated rules affect any employee working for a private sector employer. The payday investigative process is complaint driven; any employee who has not been paid appropriately may file a payday wage claim with this agency for investigation.

The Texas Child Labor Law and associated rules affect children under 18-years of age, their employers, teachers, and parents.

There are no additional qualifications or eligibility requirements to receive these services.

F. Describe how your program or function is administered. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures. Indicate how field/regional services are used, if applicable.

The Labor Law Investigations Department is organized within the Regulatory Integrity Division (RID) of TWC, with the Division Director reporting to the Executive Director.

The Austin office location houses the payday law investigators, support staff and management. All investigations are conducted by telephone, fax and mail. While the child labor law investigators are stationed in Austin, San Antonio, McAllen, Houston, Fort Worth, Dallas, and Lubbock; and conduct on-site inspections of any business in Texas.

G. Identify all funding sources and amounts for the program or function, including federal grants and pass-through monies. Describe any funding formulas or funding conventions. For state funding sources, please specify (e.g., general revenue, appropriations rider, budget strategy, fees/dues).

Please see Section G under “Regulatory Integrity Division”. Labor Law Inspections are referenced in 2012 LAR Strategy 3.1.2 and 2.1.2 Technical Assistance.

H. Identify any programs, internal or external to your agency, that provide identical or similar services or functions to the target population. Describe the similarities and differences.

The US Department of Labor, Wage and Hour Division (USDOL-WH) enforces federal minimum wage, overtime and child labor laws.

Payday Law Program

Under the Fair Labor Standards Act (FLSA) the USDOL-WH has to establish jurisdiction over the employer before it can investigate a wage complaint. As a result all private employers are covered under state law but may not be covered under federal law. Federal law has a two-year jurisdictional period while state law has 180-day jurisdictional period. Also, federal law has a retaliation prohibition and state law does not.

In reviewing wage complaints, the USDOL-WH can only look at the employee’s entitlement to minimum wage or overtime regardless of the agreed rate of pay. Under the Texas Payday Law, TWC has authority to review the agreed rate of pay in determining the employee’s unpaid wages. In addition, the federal law does not have the collection tools provided under state law.

Child Labor Law Program

Under the FLSA the USDOL-WH has to establish jurisdiction over the employer before it can investigate child labor issues. As a result all private and public employers are covered under state law but may not be covered under federal law.

I. Discuss how the program or function is coordinating its activities to avoid duplication or conflict with the other programs listed in Question H and with the agency's customers. If applicable, briefly discuss any memorandums of understanding (MOUs), interagency agreements, or interagency contracts.

The Labor Law Investigations Department has a general Memorandum of Understanding (MOU) with the USDOL-WH. TWC and USDOL-WH recognize the value of establishing a collaborative relationship to ensure compliance by the regulated community in the State of Texas with the enforcement of laws of common concern. This partnership was formed to effectively and efficiently foster communication and cooperation, and to provide employers and employees information, outreach materials, and access to training resources that will help protect the health, safety and welfare of young workers.

J. If the program or function works with local, regional, or federal units of government, include a brief description of these entities and their relationship to the agency.

Child Labor Law Program provides educational outreach to public schools, educational service centers and local workforce development boards yearly, since they directly assist children in finding jobs.

K. If contracted expenditures are made through this program please provide:

- a short summary of the general purpose of those contracts overall;
- the amount of those expenditures in fiscal year 2012;
- the number of contracts accounting for those expenditures;
- top five contracts by dollar amount, including contractor and purpose;
- the methods used to ensure accountability for funding and performance; and
- a short description of any current contracting problems.

Payday Law Program

- Under the Council on Competitive Government, the Labor Law Investigations Department utilizes digital imaging services from Neubus, Inc. Neubus, Inc. is contracted to provide imaging, indexing, backup and recovery services for payday wage complaints and attachments;
- Neubus, Inc. expenditures in FY 2012 totaled \$90,750.94;
- One contract;
- Service Level Agreements for timeliness, availability, performance and accuracy; and
- No contracting problems.

L. Provide information on any grants awarded by the program.

Not applicable.

M. What statutory changes could be made to assist this program in performing its functions? Explain.

None at this time.

N. Provide any additional information needed to gain a preliminary understanding of the program or function.

Not applicable.

O. Regulatory programs relate to the licensing, registration, certification, or permitting of a person, business, or other entity. For each regulatory program, if applicable, describe:

- **why the regulation is needed;**
- **the scope of, and procedures for, inspections or audits of regulated entities;**
- **follow-up activities conducted when non-compliance is identified;**
- **sanctions available to the agency to ensure compliance; and**
- **procedures for handling consumer/public complaints against regulated entities.**

Payday Law Program

- The program provides an opportunity for individuals who feel they have been paid incorrectly with an avenue for pursuing those wages through a no-charge administrative process; these parties might otherwise be unable to financially bear the cost of obtaining their earned wages.
- Individuals who have not been paid appropriately by a private sector employer, can file a wage complaint and have it investigated under the statute.
- Employers found to be in violation are provided a summary of the payday law and warned that subsequent violations could result in an administrative penalty.
- Employers found to have acted in bad faith in not paying wages may be assessed an administrative penalty (\$1000 or amount claimed, whichever is less), employers convicted of two violations may be required to post a surety bond, the attorney general may seek injunctive relief in district court.
- Complainants are provided guidance on filing a payday wage complaint for unpaid wages.

Child Labor Law Program

- The program provides protection over children in the workplace through on-site inspections and educational outreach;
- The public can file complaints (anonymously) on any business that may be employing children illegally and the child labor investigators may inspect any business where there is reason to believe a child is or has been employed in the past two years.
- After an inspection resulting in a violation, a closing conference is held with the employer to review the findings, provide a copy of the law, and discuss preventative measures.
- Administrative penalties (up to \$10,000/Violation) may be assessed to ensure future compliance.
- All complaints are reviewed for inspection follow-up.

P. For each regulatory program, if applicable, provide the following complaint information. The chart headings may be changed if needed to better reflect your agency's practices.

Texas Workforce Commission Payday Law Investigations Exhibit 11: Information on Complaints Against Regulated Persons or Entities Fiscal Years 2011 and 2012		
	FY 2011	FY 2012
Total number of regulated persons (employees/claimants)	15,915	17,138
Total number of regulated entities (employers)	9,792	9,169
Total number of entities inspected (employers)	9,792	9,169
Total number of complaints received from the public	15,915	17,138
Total number of complaints initiated by agency	0	0
Number of complaints pending from prior years	1,068	1,589
Number of complaints found to be non-jurisdictional	3,402	3,415
Number of jurisdictional complaints found to be without merit	4,602	4,665
Number of complaints resolved	16,648	16,387
Average number of days for complaint resolution	45	43
Complaints resulting in disciplinary action:		
administrative penalty	501	1,132
reprimand	0	0
probation	0	0
suspension	0	0
revocation	0	0
other	0	0

**Texas Workforce Commission
Child Labor Inspections
Exhibit 11: Information on Complaints Against Regulated Persons or Entities
Fiscal Years 2011 and 2012**

	FY 2011	FY 2012
Total number of regulated persons (children)	2,642	3,871
Total number of regulated entities (employers)	2,583	2,523
Total number of entities inspected (employers)	2,583	2,523
Total number of complaints received from the public	32	42
Total number of complaints initiated by agency	0	0
Number of complaints pending from prior years	0	0
Number of complaints found to be non-jurisdictional	2	2
Number of jurisdictional complaints found to be without merit	21	30
Number of complaints resolved	30	40
Average number of days for complaint resolution	17	21
Complaints resulting in disciplinary action:		
administrative penalty	9	10
reprimand	0	0
probation	0	0
suspension	0	0
revocation	0	0
other	0	0

A. Provide the following information at the beginning of each program description.

Name of Program or Function	Equal Opportunity Monitoring
Location/Division	Regulatory Integrity Division
Contact Name	Boone Fields
Actual Expenditures, FY 2012	N/A
Number of Actual FTEs as of June 1, 2013	2
Statutory Citation for Program	N/A

B. What is the objective of this program or function? Describe the major activities performed under this program.

- Objective: To ensure the State of Texas and its subrecipients properly implement and comply with the nondiscrimination and equal opportunity provisions of the Workforce Investment Act of 1998 (WIA) which are contained in Section 188 of WIA. Section 188 prohibits discrimination on the grounds of race, color, religion, sex, national origin, age, disability, political affiliation or belief, and for beneficiaries only, citizenship or participation in a WIA Title I-financially assisted program or activity.
- Major activities performed: (1) Review of State, Board, and contract service provider operations for Americans with Disabilities Act (ADA)/architectural and programmatic accessibility through site visits and desk reviews; (2) processing of WIA-related discrimination complaints; and (3) technical assistance on ADA and nondiscrimination/equal opportunity issues to internal and external customers.

C. What evidence can you provide that shows the effectiveness and efficiency of this program or function? Provide a summary of key statistics and performance measures that best convey the effectiveness and efficiency of this function or program.

- Improved architectural accessibility at workforce centers through annual accessibility surveys and corrective actions on noted non-compliant elements.
- Improved nondiscriminatory practices through updated policies and procedures addressing disability and personnel issues, such as reasonable accommodation, confidentiality of discrimination complaint information, provision of materials in an alternate format, retaliation provisions, etc.

D. Describe any important history regarding this program not included in the general agency history section, including how the services or functions have changed from the original intent.

- The Job Partnership Training Act (JPTA) was a federal law passed on October 13, 1982. The Workforce Investment Act was passed in 1998. In the interim, the Americans with Disabilities Act (ADA), a civil rights law for persons with disabilities, was enacted on July 26, 1990. It was built on principles of equal opportunity, full participation, independent living and economic self-sufficiency for persons with disabilities.
- Differences in legislation between the Job Partnership Training Act (JPTA) of 1982 and the Workforce Investment Act of 1998 by inclusion of Section 188 nondiscrimination and equal opportunity provisions mandated the creation of a mechanism to perform oversight functions for the Section 188 administrative requirements affecting many aspects of recipient operations.

E. Describe who or what this program or function affects. List any qualifications or eligibility requirements for persons or entities affected. Provide a statistical breakdown of persons or entities affected.

- WIA Section 188 requirements apply to any recipient of WIA Title I funding per the definition of recipient found at 29 CFR 37.4, programs or activities that are part of the One-Stop delivery system and that are operated by One-Stop partners as part of the One-Stop delivery system, and the employment practices of a recipient and/or One-Stop partner.

F. Describe how your program or function is administered. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures. Indicate how field/regional services are used, if applicable.

- EO Specialist performs on-site accessibility surveys at a sampling of the approximately 200 workforce centers to validate proficiency of annual surveys conducted by local EO Officers.
- EO Unit conducts audit resolution for all EO findings to ensure ADA and other nondiscrimination/ equal opportunity technical requirements have been properly satisfied.

G. Identify all funding sources and amounts for the program or function, including federal grants and pass-through monies. Describe any funding formulas or funding conventions. For state funding sources, please specify (e.g., general revenue, appropriations rider, budget strategy, fees/dues).

Please see Section G under “Regulatory Integrity Division.”

H. Identify any programs, internal or external to your agency, that provide identical or similar services or functions to the target population. Describe the similarities and differences.

Not applicable.

I. Discuss how the program or function is coordinating its activities to avoid duplication or conflict with the other programs listed in Question H and with the agency's customers. If applicable, briefly discuss any memorandums of understanding (MOUs), interagency agreements, or interagency contracts.

Not applicable.

J. If the program or function works with local, regional, or federal units of government, include a brief description of these entities and their relationship to the agency.

Not applicable.

K. If contracted expenditures are made through this program please provide:

- a short summary of the general purpose of those contracts overall;
- the amount of those expenditures in fiscal year 2012;
- the number of contracts accounting for those expenditures;
- top five contracts by dollar amount, including contractor and purpose;
- the methods used to ensure accountability for funding and performance; and
- a short description of any current contracting problems.

Not applicable.

L. Provide information on any grants awarded by the program.

Not applicable.

M. What statutory changes could be made to assist this program in performing its functions? Explain.

None at this time.

N. Provide any additional information needed to gain a preliminary understanding of the program or function.

29 CFR Part 37 implements the nondiscrimination and equal opportunity provisions of the WIA of 1998. The scope of laws covered by Section 188 of the WIA is extensive and encompasses many different civil rights, employment, and related laws. §37.3 sets forth the various compliance obligations under this part:

(a) 29 CFR part 31, regulations implementing Title VI of the Civil Rights Act of 1964, as amended (Title VI) and Subparts A, D and E of 29 CFR part 32, regulations implementing Section 504 of the Rehabilitation Act of 1973, as amended (Section 504).

(b) 29 CFR part 32, Subparts B and C and Appendix A, regulations implementing the requirements of Section 504 pertaining to employment practices and employment-related training, program accessibility, and reasonable accommodation.

(c) Recipients that are also public entities or public accommodations, as defined by Titles II and III of the Americans with Disabilities Act of 1990 (ADA), should be aware of obligations imposed by those titles.

(d) Recipients that are also employers, employment agencies, or other entities covered by Title I of the ADA should be aware of obligations imposed by that title.

(e) Compliance with this part does not affect, in any way, any additional obligation that a recipient may have to comply with the following laws and their implementing regulations:

- Executive Order 11246, as amended;
- Sections 503 and 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 793 and 794);
- The affirmative action provisions of the Vietnam Era Veterans' Readjustment Assistance Act of 1974, as amended (38 U.S.C. 4212);
- The Equal Pay Act of 1963, as amended (29 U.S.C. 206d);
- Titles VI and VII of the Civil Rights Act of 1964, as amended (42 U.S.C. 2000d et seq. and 2000e et seq.);
- The Age Discrimination Act of 1975, as amended (42 U.S.C. 6101);
- The Age Discrimination in Employment Act of 1967, as amended (29 U.S.C. 621);
- Title IX of the Education Amendments of 1972, as amended (Title IX) (20 U.S.C. 1681);
- The Americans with Disabilities Act of 1990, as amended (42 U.S.C. 12101 et seq.); and
- The anti-discrimination provision of the Immigration and Nationality Act, as amended (8 U.S.C. 1324b).

(f) This rule does not preempt consistent state and local requirements.

O. Regulatory programs relate to the licensing, registration, certification, or permitting of a person, business, or other entity. For each regulatory program, if applicable, describe:

- **why the regulation is needed;**
- **the scope of, and procedures for, inspections or audits of regulated entities;**
- **follow-up activities conducted when non-compliance is identified;**
- **sanctions available to the agency to ensure compliance; and**
- **procedures for handling consumer/public complaints against regulated entities.**

Not applicable.

**P. For each regulatory program, if applicable, provide the following complaint information.
The chart headings may be changed if needed to better reflect your agency's practices.**

Not applicable.

A. Provide the following information at the beginning of each program description.

Name of Program or Function	Subrecipient Monitoring
Location/Division	Regulatory Integrity Division
Contact Name	Boone Fields
Actual Expenditures, FY 2012	\$2,455,268
Number of Actual FTEs as of June 1, 2013	45
Statutory Citation for Program	N/A

B. What is the objective of this program or function? Describe the major activities performed under this program.

Subrecipient Monitoring reviews the financial and programmatic operations of Boards and contract service providers. Site visits, desk reviews, and trend analysis procedures are performed to ensure programs are administered according to contract requirements, funds are spent for authorized purposes, and reliable information is reported to decision makers.

The Subrecipient monitoring unit (formerly known as Contract Monitoring) was created in 1996 to ensure that the requirements of the Job Training Partnership Act (JTPA) and other federal programs were met. JTPA regulations at 20 Code of Federal Regulations (CFR) Part 627.475 require a “State monitoring plan...which...ensures that all areas of Service Delivery Area (SDA) and Substate Grantee (SSG) operations are monitored on-site regularly, but not less than once annually.” Although the Workforce Investment Act (WIA) replaced JTPA, the requirement to monitor annually remains.

TWC rules require monitoring of sub-recipients and contract service providers (40 Texas Administrative Code (TAC) Part 20 Chapter 802 Subchapter D, Sections 802.61-802.64.

Audit Resolution

- Governed by 40 TAC Part 20 Chapter 802 Subchapter D, Sections 802.65
- Resolves federal, board and subrecipient monitoring findings.
- Responsible for State level hearings and sanction requests.

Single Audit

- Responsible for desk reviews of grantee audit reports as required by the Office of Management and Budget (OMB) Circular A-133.
- Review indirect cost rate proposals as the cognizant agency.

Financial Assessment & Analysis Services (FAAS):

- Provides extensive automation support to the monitoring teams by providing ad-hoc reports and analysis, obtaining samples and responding to special requests.
- Supports and maintains Board Area Tracking System (BATS). FAAS collects and processes data providing information and reports for BATS as new data becomes available.
- Provides exception reports that identify risk to Boards.

C. What evidence can you provide that shows the effectiveness and efficiency of this program or function? Provide a summary of key statistics and performance measures that best convey the effectiveness and efficiency of this function or program.

Subrecipient Monitoring developed exceptions reports (completed by FAAS) to help identify the high risk areas in the TWC programs at all the Local Workforce Boards. Through the past ten years, the exceptions noted at the local level have dramatically decreased because the State and local monitoring staff have used the reports to identify problems and take corrective action. This has also resulted in the monitoring teams reducing the amount of time out in the field because the reports helped focus on critical areas of concern. The function of FAAS has provided data to subrecipient monitors so they can most accurately target areas of potential fraud, waste and abuse. For example, FAAS provides a semimonthly Child Care Early Warning Report that shows any customer receiving Child Care and UI benefits. This allows the Workforce Board to assist the customer to find a job within a month or terminate child care benefits in a timely manner.

We also developed the system to certify the local monitoring function to reduce duplication of work at the State level and local levels. We worked with the local Boards to develop a process to evaluate the local monitoring function to determine if the State could rely on the work performed by the local level monitors. Once we certified the local monitoring function, we then in the next two years would reduce or eliminate the work the State monitors had to perform if the local monitors were performing that monitoring work. This system has helped in reducing the amount of work performed by the State; however, still maintaining the quality of monitoring work.

D. Describe any important history regarding this program not included in the general agency history section, including how the services or functions have changed from the original intent.

The original mission for Contract Monitoring was to provide a level of assurance that federal and state workforce programs are operating as intended and that program resources are used for authorized purposes. That mission and intent will remain necessary as long as the programs exist. In addition, FAAS was originally created to support the monitoring teams by providing automation support. The program has expanded to provide an internal system that collects and presents important financial, performance, and other useful data about Boards and Board areas to Subrecipient Monitoring and Workforce staff.

E. Describe who or what this program or function affects. List any qualifications or eligibility requirements for persons or entities affected. Provide a statistical breakdown of persons or entities affected.

Subrecipient Monitoring

- Serves Boards and agency contractors that provide employer and participant services by providing feedback on operating results.
- Provides 72 on-site monitoring reviews
- Provides resolution of 72 reviews.
- Performs 170 single audit desk reviews and 6 indirect cost rate proposals.
- Provides services to agency decision-makers by reporting the results of monitoring reviews, Single Audit reports, and resolution activities.

FAAS has the responsibility to provide financial assessment and advisory services to on-site monitoring teams, contract managers, Boards and other external customers.

List of Data / Tools Provided to Monitors

CATS – All Contracts loaded into BATS – Daily	Local Match – Daily
Child Care Early Warning Report - Bimonthly	Financial Adhoc with Reports – Monthly
TWIST Adhoc – Monthly	Child Care Adhoc- Monthly
Monitoring Samples (Annually For Each Board)	Child Care Exception Reports - Quarterly
WIA Data Validation (Annually for Each Board)	Annual Monitoring Plan
UI Monthly, UI Quarterly	Child Care Data Validation (Annually for Each Board)

F. Describe how your program or function is administered. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures. Indicate how field/regional services are used, if applicable.

Subrecipient Monitoring administers and performs the critical functions of risk assessment, on-site contract monitoring, single audit desk reviews, and audit resolution as follows:

- A monitoring plan is developed based on results of a comprehensive risk assessment
- Departmental training is conducted annually on any new information
- On-site monitoring visits are scheduled and conducted
- Findings and recommendations are documented in a formal report that includes management’s response to the findings
- Audit resolution follows up with the contractors to ensure corrective action implementation
- Single audit (A-133) reports are reviewed and tracked to ensure findings and questioned costs are addressed
- Receive requests from State Legislature, TWC Board, Monitors, DOL or Other Funding Agency or Program
- Analyze program data and determine importance to TWC subrecipient monitoring and provide information and tools to improve on-site monitoring
- Create process or tool to provide this request to State Legislature, TWC Board, Monitors, DOL or Other Funding Agency or Program
- Test results from new/altered process to insure that target has been met and make changes and retest until successful.
- Provide information and or associated tool to appropriate parties for use. This is usually monitors. Other recipients include TWC management
- Recipient uses this information. For monitors, these are usually random samples of participants in monitored program. In some cases they may be all participants that have failed to meet mandatory requirements.

G. Identify all funding sources and amounts for the program or function, including federal grants and pass-through monies. Describe any funding formulas or funding conventions. For state funding sources, please specify (e.g., general revenue, appropriations rider, budget strategy, fees/dues).

Please see Section G under “Regulatory Integrity Division.”

H. Identify any programs, internal or external to your agency, that provide identical or similar services or functions to the target population. Describe the similarities and differences.

No other internal or external programs to the agency provide identical or similar services or functions.

I. Discuss how the program or function is coordinating its activities to avoid duplication or conflict with the other programs listed in Question H and with the agency's customers. If applicable, briefly discuss any memorandums of understanding (MOUs), interagency agreements, or interagency contracts.

Not applicable.

J. If the program or function works with local, regional, or federal units of government, include a brief description of these entities and their relationship to the agency.

Not applicable.

K. If contracted expenditures are made through this program please provide:

- a short summary of the general purpose of those contracts overall;
- the amount of those expenditures in fiscal year 2012;
- the number of contracts accounting for those expenditures;
- top five contracts by dollar amount, including contractor and purpose;
- the methods used to ensure accountability for funding and performance; and
- a short description of any current contracting problems.

Not applicable.

L. Provide information on any grants awarded by the program.

Not applicable.

M. What statutory changes could be made to assist this program in performing its functions? Explain.

None at this time.

N. Provide any additional information needed to gain a preliminary understanding of the program or function.

Not applicable.

O. Regulatory programs relate to the licensing, registration, certification, or permitting of a person, business, or other entity. For each regulatory program, if applicable, describe:

- **why the regulation is needed;**
- **the scope of, and procedures for, inspections or audits of regulated entities;**
- **follow-up activities conducted when non-compliance is identified;**
- **sanctions available to the agency to ensure compliance; and**
- **procedures for handling consumer/public complaints against regulated entities.**

Subrecipient monitoring does not license, register, or permit a person, business, or other entity. It is responsible for certifying key control systems for Boards and fiscal agents. Such certification involves ensuring that the Board or fiscal agent has the capability to safeguard program resources.

P. For each regulatory program, if applicable, provide the following complaint information. The chart headings may be changed if needed to better reflect your agency's practices.

Not applicable.

A. Provide the following information at the beginning of each program description.

Name of Program or Function	Fraud Prosecutions
Location/Division	Regulatory Integrity Division
Contact Name	Evan Farrington
Actual Expenditures, FY 2012	N/A
Number of Actual FTEs as of June 1, 2013	6
Statutory Citation for Program	Texas Labor Code Chapters 213 (Enforcement of Texas Unemployment Compensation Act) & 214 (Offenses, Penalties, and Sanctions; TEX. LAB. Code sec. 301.071.

B. What is the objective of this program or function? Describe the major activities performed under this program.

The Fraud Prosecutions Unit of the Regulatory Integrity Division (RID) of the Texas Workforce Commission (TWC) builds and refers to prosecuting authorities throughout the state cases of criminal fraud occurring in TWC programs. The unit acts as a liaison with prosecutors to discuss evidence, strategy, and program particulars, and provides witnesses for grand jury and trial. The unit focuses mainly upon Unemployment Insurance (UI) fraud, and specifically, upon earnings fraud in which unemployment claimants intentionally fail to report work or earnings from work to the TWC, or grossly under-report earnings from work to the TWC, when filing for and receiving unemployment benefits. The unit also handles all criminal subpoenas issued to the agency by federal and state regulatory and law enforcement agencies that request TWC information needed for non-TWC criminal investigations and prosecutions. When requested, the attorney who serves as manager of the unit serves as legal advisor to RID's Office of Special Investigations to issue subpoenas, interact with outside attorneys, review and help build child care program fraud cases, draft restitution agreements, etc. Also, the attorney who serves as manager of the unit functions as the agency's ethics advisor.

C. What evidence can you provide that shows the effectiveness and efficiency of this program or function? Provide a summary of key statistics and performance measures that best convey the effectiveness and efficiency of this function or program.

From CY06 through CY12, the Fraud Prosecutions Unit built and referred 1030 cases of UI fraud to criminal prosecutors throughout Texas, resulting in 821 successful prosecutions, plus 67 cases in which dismissal followed upon payment of full restitution owed. This amounts to an 86% success rate for referrals. For CY06 through CY12, the unit's efforts have resulted in the recovery of \$16,375,625 in stolen unemployment benefits for the Texas Unemployment Compensation Trust Fund (this is the total recovery from multiple sources during the prosecution process, i.e., repayments to avoid criminal prosecution after receiving a Notice of Potential Prosecution letter, repayments upon referral of the case to the prosecutor, repayments by claimants who are placed on probation, and absorptions occurring while cases are in prosecutions status).

D. Describe any important history regarding this program not included in the general agency history section, including how the services or functions have changed from the original intent.

For many years the agency referred cases of UI fraud utilizing non-attorney personnel from the Benefit Payment Control Unit. These cases were referred as Class A misdemeanors under the authority of TEX. LAB. CODE § 214.001. Recognizing the need for a more centralized and systematic effort to detect fraud throughout every aspect of its transactions, in late 2005, the agency created Regulatory Enforcement Division (now the Regulatory Integrity Division or RID) and made the prevention, detection, and elimination of fraud and abuse in the UI program a central top priority. RID selected an attorney to manage a full time prosecution effort. Because most of the amounts involved in these cases were state jail felony amounts (i.e., \$1,500 to \$19,999.99), he began referring these cases to district attorney offices throughout the state for felony prosecution under the Texas Penal Code either as theft or securing execution of Document By Deception. Also, working with the U.S. Treasury Inspector General for Tax Administration for the Austin area, the Unit referred to the Travis County Attorney's Office for Class A misdemeanor prosecution a number of Unemployment Insurance fraud cases involving Internal Revenue Service employees.

E. Describe who or what this program or function affects. List any qualifications or eligibility requirements for persons or entities affected. Provide a statistical breakdown of persons or entities affected.

This prosecution effort affects UI claimants who have committed fraud by intentionally failing to report work or earnings from work to the TWC, or grossly under-reporting earnings from work to the TWC, when filing for and receiving unemployment benefits.

F. Describe how your program or function is administered. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures. Indicate how field/regional services are used, if applicable.

Potential prosecution cases usually arrive to the Fraud Prosecutions Unit after an administrative determination of fraud has been issued by TWC's Benefit Investigations Unit. The Fraud Prosecutions Unit reviews these cases for viable criminal referrals, and from the cases selected issues Notice Of Potential Prosecution letters asking claimants to pay what is owed to the TWC or face possible referral of their case for criminal prosecution. Claimants who do not make a good faith effort to pay back stolen benefits may have their cases selected for full investigation and preparation for referral to appropriate criminal prosecutors throughout the state. Such investigation includes: (1) issuing subpoenas to: banks in which unemployment funds are directly deposited; JPMorgan Chase Bank, which runs the UI debit card program for TWC, to obtain debit card transaction history data; to merchants at which UI debit cards are utilized; and to employers at which the unemployment claimant was worked when filing for and receiving unemployment benefits and not reporting (or under-reporting) this work or earnings to the TWC; (2) obtaining identity documents to prove the identity of the unemployment claimant and preparing a an identity report for prosecutors; (3) obtaining and correcting/polishing wage data obtained from employers for referral to prosecutors; (4) preparing a comprehensive summary of the crime for prosecutors and gathering supporting evidence. Once a prepared case has been reviewed by the attorney/manager of the unit and referred for prosecution, investigators of the unit are subject to call for

testimony before grand juries or at trial. If an unemployment claimant is placed on probation and ordered to make restitution, which happens often, unit investigators may be called to assist probation authorities with preparation of presentence investigation reports and the mechanics of payment to the TWC. The details of successful prosecutions are placed on TWC's website for purposes of deterrence of UI fraud, and are at intervals placed in official press releases by TWC's Communications Department.

G. Identify all funding sources and amounts for the program or function, including federal grants and pass-through monies. Describe any funding formulas or funding conventions. For state funding sources, please specify (e.g., general revenue, appropriations rider, budget strategy, fees/dues).

Please see Section G under "Regulatory Integrity Division."

H. Identify any programs, internal or external to your agency, that provide identical or similar services or functions to the target population. Describe the similarities and differences.

TWC's Office of Special Investigations investigates the more complex schemes of UI fraud involving multiple claimants, identity theft, etc., often in conjunction with federal agency investigators, and assists referral of these cases to prosecutors, often federal prosecutors.

I. Discuss how the program or function is coordinating its activities to avoid duplication or conflict with the other programs listed in Question H and with the agency's customers. If applicable, briefly discuss any memorandums of understanding (MOUs), interagency agreements, or interagency contracts.

The Fraud Prosecutions Unit and Office of Special Investigations communicate almost daily about the handling of assignments and investigations. It is understood that if there is more than one unemployment claimant involved with the case, the decision about handling the case resides with the Office of Special Investigations.

J. If the program or function works with local, regional, or federal units of government, include a brief description of these entities and their relationship to the agency.

The Fraud Prosecutions Unit primarily works with state felony prosecutors in district attorney offices throughout the state. On occasion when requested, the unit works with the U.S. Treasury Department (as described above) or the U.S. Postal Service Office of Inspector General to investigate and assist with prosecution of individual unemployment claimants who have committed fraud.

K. If contracted expenditures are made through this program please provide:

- a short summary of the general purpose of those contracts overall;
- the amount of those expenditures in fiscal year 2012;
- the number of contracts accounting for those expenditures;
- top five contracts by dollar amount, including contractor and purpose;
- the methods used to ensure accountability for funding and performance; and
- a short description of any current contracting problems.

Not applicable.

M. What statutory changes could be made to assist this program in performing its functions? Explain.

None at this time.

N. Provide any additional information needed to gain a preliminary understanding of the program or function.

Not applicable.

O. Regulatory programs relate to the licensing, registration, certification, or permitting of a person, business, or other entity. For each regulatory program, if applicable, describe:

- why the regulation is needed;
- the scope of, and procedures for, inspections or audits of regulated entities;
- follow-up activities conducted when non-compliance is identified;
- sanctions available to the agency to ensure compliance; and
- procedures for handling consumer/public complaints against regulated entities.

Not applicable.

P. For each regulatory program, if applicable, provide the following complaint information. The chart headings may be changed if needed to better reflect your agency's practices.

Not applicable.

A. Provide the following information at the beginning of each program description.

Name of Program or Function	Labor Law Collections
Location/Division	Regulatory Integrity Division
Contact Name	Larry Hassel
Actual Expenditures, FY 2012	\$337,159
Number of Actual FTEs as of June 1, 2013	8
Statutory Citation for Program	Chapter 61 of the Texas Labor Code also known as the Texas Payday Law.

B. What is the objective of this program or function? Describe the major activities performed under this program.

The Labor Law Collections Unit is responsible for collection and payment of wage claim and penalty funds associated with the Texas Pay Day Law and the Texas Child Labor Law. Activities include customer service phone calls and written correspondence; demand for payment letters, bank freezes and levies, administrative liens, and the State of Texas Warrant Hold Program. Duties occur after an investigation and issuance of determination orders, and appeal decisions.

C. What evidence can you provide that shows the effectiveness and efficiency of this program or function? Provide a summary of key statistics and performance measures that best convey the effectiveness and efficiency of this function or program.

The last three years were record setting years for the Labor Law Collections Unit (LLCU), in comparison with the prior nine years. All new wage claims available for collection were timely processed. The Texas Payday Law dollars collected for FY 2012 were over \$6.5 million, with FY 2011 achieving an all-time high of \$6.9 million, and the FY 2010 \$6.6 million received was the previous all-time high. The LLCU 10-year average for processing new claims is 5,454 per year claimants. Additionally, 1,200 revisited uncollected wage claims were processed last year addressing long term collection action. The most recent three fiscal years show a trend of higher dollars collected and processed; and increased activity in bank freezes (55%), levies (58%) and demands for payment (32%). The results showed dollar increases in wage claims paid for gross (22%) and net (30%), remittances received (30%), and levies collected (77%); each of these categories, for these three years, resulted in an additional \$1 million.

D. Describe any important history regarding this program not included in the general agency history section, including how the services or functions have changed from the original intent.

The Texas Payday Law enforcement increased enforcement capability through the use of the State of Texas Warrant Hold Program, the result being an increased in funds collected in the last 5 years. The coordination of payments due the State of Texas agencies makes better use of administrative lien filings and direction of funds based on debt to the agencies of the state.

E. Describe who or what this program or function affects. List any qualifications or eligibility requirements for persons or entities affected. Provide a statistical breakdown of persons or entities affected.

Unpaid workers benefit from the receipt of the funds in an administrative process that keeps wage disputes out of the courts and prevents employers and employees from the having to hire attorneys. Also, the funds paid insure that all employers are competing on an equal basis for the cost of labor.

F. Describe how your program or function is administered. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures. Indicate how field/regional services are used, if applicable.

The Labor Law Collections Unit is in the Collections and Civil Actions Department of the Regulatory Integrity Division of the Texas Workforce Commission. There are 9 employees with one Supervisor, seven Accounts Examiners, and one Administrative Assistant. Processing collection action, customer service calls, providing written communication by letters and emails.

G. Identify all funding sources and amounts for the program or function, including federal grants and pass-through monies. Describe any funding formulas or funding conventions. For state funding sources, please specify (e.g., general revenue, appropriations rider, budget strategy, fees/dues).

Please see Section G under “Regulatory Integrity Division.”

H. Identify any programs, internal or external to your agency, that provide identical or similar services or functions to the target population. Describe the similarities and differences.

The common areas shared by Labor Law Collections and the U.S. Department of Labor (DOL) include wage payment and child labor issues. The DOL Wage and Hour division enforces the payment of federal minimum wage and overtime, as well as the federal child labor provisions under the Fair Labor Standards Act (FLSA). Generally, WH’s enforcement activities have a broader, more national focus in both programs. Also, its authority in wage enforcement is limited to minimum wage and overtime issues. Texas wages and commissions due by Texas employer and/or Texas employees are addressed by the Labor Law Collections Unit.

I. Discuss how the program or function is coordinating its activities to avoid duplication or conflict with the other programs listed in Question H and with the agency’s customers. If applicable, briefly discuss any memorandums of understanding (MOUs), interagency agreements, or interagency contracts.

The Labor Law Collections operates under a general Memorandum of Understanding (MOU) with the U.S. Department of Labor Wage and Hour Division (WH). The MOU provides for cooperation between the programs to facilitate the administration of regulatory schemes of common interest to the programs.

J. If the program or function works with local, regional, or federal units of government, include a brief description of these entities and their relationship to the agency.

See H.

K. If contracted expenditures are made through this program please provide:

- a short summary of the general purpose of those contracts overall;
- the amount of those expenditures in fiscal year 2012;
- the number of contracts accounting for those expenditures;
- top five contracts by dollar amount, including contractor and purpose;
- the methods used to ensure accountability for funding and performance; and
- a short description of any current contracting problems.

Not applicable.

L. Provide information on any grants awarded by the program.

Not applicable.

M. What statutory changes could be made to assist this program in performing its functions? Explain.

None at this time.

N. Provide any additional information needed to gain a preliminary understanding of the program or function.

N/A

O. Regulatory programs relate to the licensing, registration, certification, or permitting of a person, business, or other entity. For each regulatory program, if applicable, describe:

- why the regulation is needed;
- the scope of, and procedures for, inspections or audits of regulated entities;
- follow-up activities conducted when non-compliance is identified;
- sanctions available to the agency to ensure compliance; and
- procedures for handling consumer/public complaints against regulated entities.

The Labor Law Department has the authority to issue Child Actor Authorization Certificates and Certificates of Age. In each case, the applicant must submit documentary proof of age and a recent photograph. Employers may rely on the child actor authorization certificates to employ a child under 14 legally as an actor. They may rely on the certificates of age to employ a child legally within hours or minimum age restrictions. The certificates are effective upon issuance and expire automatically upon the child reaching the appropriate age. There is no provision for revocation.

**P. For each regulatory program, if applicable, provide the following complaint information.
The chart headings may be changed if needed to better reflect your agency's practices.**

Not applicable.

A. Provide the following information at the beginning of each program description.

Name of Program or Function	Collections
Location/Division	Regulatory Integrity Division
Contact Name	John Moore
Actual Expenditures, FY 2012	\$1,513,260
Number of Actual FTEs as of June 1, 2013	30
Statutory Citation for Program	<ul style="list-style-type: none"> • Benefits: Section 212.006 of the TUCA • Administrative Actions: TUCA 9/1/2011, Chapter 213. • Civil Actions: TUCA 9/1/2011, Chapter 213. • Special Actions TUCA 9/1/2011, Chapter 213.

B. What is the objective of this program or function? Describe the major activities performed under this program.

Benefits

The Benefit Overpayment Collections Unit is responsible for administering Section 212.006 of the TUCA. The unit handles inquiries received by phone, email and correspondence pertaining to overpayments of unemployment benefits. The unit provides information regarding the cause of the overpayment, appeal rights and repayment. The Benefits System generates regular monthly collection correspondence to initial collections.

Activities performed by the unit in connection with administering Section 212.006 of the TUCA include:

- Establishing repayment schedules
- Recovering payable unemployment benefits to repay benefit overpayments
- Pursuing civil action in the form of a Notice of Assessment
- Referring delinquent benefit overpayment accounts to the Texas Comptroller of Public Accounts for inclusion in the Vender Hold Program
- Participating in the Interstate Reciprocal Overpayment Recovery Agreement to assist and request assistance from other states in recouping benefit overpayments
- Filing Proof of Claim with the Bankruptcy Courts
- Providing payoff amounts to title companies for the purpose of repaying final assessment overpayments in order to issue a Release of Abstract of Assessment

Administrative Actions

- To secure and protect the State's interests by sending Employer Default Notices, Filing Tax Liens, placing Warrant Holds/Vendor Holds and Sending Legal Freeze and Levy Documents to banking institutions to collect unpaid unemployment contributions. (TWC coordinates with the Texas Comptroller to apply Warrant Holds and Vendor Holds on employer accounts with a delinquency of \$100 or more.)

Civil Actions

- Secure the states interest by reviewing employer delinquent tax files and preparing all documents necessary to finalize a notice of assessment or to send to the Attorney General's Department to institute or pursue legal action to collect delinquent taxes.
- Maintain control files on assessment, judgment or abstract renewals, prepare and process all necessary documents to achieve continued security under notice of assessment or judgment; update computer files.
- Negotiate and/or explain delinquent tax payments, status, and legal actions to employers, TWC field representative, and other authorized personnel as a result of personal visit, telephone or written request.
- Develop required case information for judicial review suits, and similar enforcement actions by the Attorney General's Department, and confer and coordinate with the Attorney General's Department on the status of delinquent employers' accounts while litigation is pending. Secure, prepare, verify, and transmit proof of defendant employer's liability to the Attorney General's Department and appear as state's witness at trial.
- Respond to inquiries from employers, attorneys, accountants, government agencies, trustees, and others regarding past-due accounts under pending assessment or litigation.

Special Actions

- Collection of delinquent taxes through U.S. Bankruptcy Code Title 11 U.S. Code and to ensure TWC actions are in compliance with US Bankruptcy Code.
- Provision of training and guidance to other units in Field Tax and RID as to bankruptcy impact on the areas of responsibilities.

C. What evidence can you provide that shows the effectiveness and efficiency of this program or function? Provide a summary of key statistics and performance measures that best convey the effectiveness and efficiency of this function or program.

Benefits

The Quarterly ETA-227 Report submitted to DOL provides information regarding Overpayment Detection/Recovery Activities. The total recovered for Calendar Year 2012 was \$86,714,266.00. This includes all recoveries for fraud and non-fraud overpayments.

Administrative Actions

Tax Liens secure the States interests. Tax Liens are paid and released at a higher rate each year. Bank Freeze and Levy actions capture funds from more accounts each year.

Civil Actions

- Filed 1,347 Assessments in FY 2012.
- Recorded 1,533 Abstracts of Assessments
- Collected approx. \$2 million in payments stemming from warning letters and default notices.(prior to assessment being issued)
- Collected \$462,008.39 on accounts where assessments were filed.
- Collections resulted in 460 assessment and judgment releases for FY 2012

Special Actions

There have not been any legal actions initiated against TWC through the bankruptcy process within the last 20 years.

	Dec. 2012	2012 YTD	Dec. 2011	2011 YTD	Difference to 2011	% Difference
Claims	50	611	65	635	(24)	(3.8%)
\$ Claims	\$286,804	\$5,807,547	\$304,804	\$4,162,664	\$1,644,883	39.5%
\$ Collected	\$46,844.00	\$1,070,180	\$132,772	\$913,769	\$156,411	17.1%

D. Describe any important history regarding this program not included in the general agency history section, including how the services or functions have changed from the original intent.

Benefits

In March 2008, we began referring delinquent unemployment insurance overpayment accounts to the Texas Comptroller of Public Accounts for inclusion in the Vendor Hold Program. Texas Government Code, title 4, Section 403.055 prohibits the State Comptroller's office from issuing a state warrant (payment) to anyone who is indebted to, or has a tax liability with the state of Texas or any agency of the state.

Administrative Actions

Collecting has always been a component of Tax, UI, Labor Law and Bankruptcy. In recent years new partnerships with state and federal agencies, better use of new technology, internet sources and resources have enabled the Collections Section specifically to be more effective in various collection actions. In the last five years alone RID has collected a higher percentage of delinquent accounts owed than the previous 10 years.

Civil Actions

Civil Actions Unit (CAU) no longer issues injunctions, seizes property, files claims on ad valorem tax suits, or files judgments (through the OAG).

Only individuals that are not yet secured by at least a tax lien are assessed, rather than all entities that are delinquent and meet a certain monetary criteria.

Special Actions

The Bankruptcy Abuse Prevention and Consumer Protection Act (BAPCPA) in 2005 brought the elimination of the Super-Discharge provisions of the Chapter 13 filing. The intent was to minimize the utilization of Chapter 7 to encourage more repayment of consumer debt that was normally discharged.

Another change that resulted from the BAPCPA was an extension of the time between multiple bankruptcy filings. 11U.S.C.§727(a)(8) was amended to provide that the debtor would be denied a discharge if a debtor had received a discharge in a prior Chapter 7 case filed within eight years of the filing of the present case. Prior to BAPCPA, the rule was six years between chapter 7 filings. BAPCPA did not change the rule for the waiting period if the debtor filed a chapter 13 previously.

E. Describe who or what this program or function affects. List any qualifications or eligibility requirements for persons or entities affected. Provide a statistical breakdown of persons or entities affected.

Benefits

This program affects all individuals who have a benefit overpayment. It can affect future payable unemployment benefits, lottery winnings, payments from the state and unemployment benefits from other states. However, collection activity will be suspended for individuals who are in Bankruptcy status.

Administrative Actions

The AAU Collections Program affects all employers who become delinquent in the payment of voluntary contributions consisting of unemployment taxes. The amount of the delinquency dictates actions from a simple default notice up to and including civil and legal actions such as: tax liens, warrant holds, vendor holds, assessments, and judgments. Vendor and warrant holds are also placed internally with the Texas Comptroller. This prevents the state of Texas from paying any entity, any funds, if they owe past due amounts to TWC for various programs (UI Benefits Overpaid, Taxes, Unpaid Wages, Penalties, Interest, Fees etc.)

F. Describe how your program or function is administered. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures. Indicate how field/regional services are used, if applicable.

Benefits

The Benefits system generates collection correspondence on a monthly basis. After the second or third overpayment statement is mailed and payment is not made or no response from the individual, an assignment is generated to contact the individual to attempt collection.

Administrative Actions

The Administrative Actions Unit is responsible for: default notice, tax lien, warrant/vendor hold, bank freeze and bank levy actions.

A **Default Notice** is to employers (all liable parties) who are delinquent in the filing of Quarterly Reports and payment of unemployment Taxes. (The notices are generated and sent every day with the bulk producing at the end of each of the four quarters.)

Tax Lien is filed in the county of record for an employer who does not make payment after a default notice is sent. The lien can be in any county or counties in Texas or any other state county clerk's office (that will record a Texas Tax Lien) where the company headquarters is located. The tax lien secures the state's interests, and must be done prior to any subsequent legal actions such as an assessment and/or judgment. With the exception of Officer Liability, which is determined by the Civil Actions Unit.

At the same time a Tax Lien is filed, TWC automatically coordinates with the Texas Comptroller of Public Accounts and a warrant Hold/vendor hold is placed to halt any funds that would be paid to an employer/entity that owes an amount (\$100<) to TWC.

Bank Freeze actions (which can freeze an account for up to 60 days) and subsequent Bank Levy actions (requesting funds that are frozen, up to the amount owed) are filed, if the default notice and tax lien and warrant hold/vendor hold do not result in payment. Amounts due are captured directly.

If none of these actions are successful and the amount owed meets current criteria, the account is then sent to the Civil Actions Unit for further collection actions.

Note: Tax, Field Tax and other TWC Staff are indirectly notified via the agency's Electronic Employer Master File when Collection Actions are taking place. These actions can be viewed by all staff. Special Screens, notes, entries and comments are placed that provide an alert on any current collection actions. Employers can be directed to AAU if they contact their local offices or other TWC staff outside of the RID department. Staff is advised to refer all calls to RID directly.

Civil Actions

A system report identifies delinquent accounts that meet criteria for assessment action. Our timeline is basically to assess all delinquencies before they are past statute for assessment action. (within 3 years of when tax becomes delinquent).

Special Actions

TWC file claims through bankruptcy courts. Notifications to all sections involved in the collection of taxes, investigation and collection of wage claims, over payment of benefits of bankruptcy proceedings. Respond to affected units questions as to bankruptcy effect to their areas of responsibility.

G. Identify all funding sources and amounts for the program or function, including federal grants and pass-through monies. Describe any funding formulas or funding conventions. For state funding sources, please specify (e.g., general revenue, appropriations rider, budget strategy, fees/dues).

Please see Section G under "Regulatory Integrity Division."

H. Identify any programs, internal or external to your agency, that provide identical or similar services or functions to the target population. Describe the similarities and differences.

Benefits

The Fraud Prosecutions pursues collection activity on overpayment cases that meet the prosecution criteria.

The automated collection process has the same goal.

I. Discuss how the program or function is coordinating its activities to avoid duplication or conflict with the other programs listed in Question H and with the agency's customers. If applicable, briefly discuss any memorandums of understanding (MOUs), interagency agreements, or interagency contracts.

Benefits

The Benefits System assigns the collection path for all overpayments.

Administrative Actions

Administrative Actions does not conflict with other programs within TWC.

Civil Actions

Civil Actions works hand in hand with Administrative Actions to identify delinquent accounts for collection activities. There is no duplication because Administrative Actions only works on officer's delinquencies at Civil Actions' referral.

Special Actions

There is no other identifiable internal or external entity that provides identical or similar services.

J. If the program or function works with local, regional, or federal units of government, include a brief description of these entities and their relationship to the agency.

Benefits

Texas Comptroller of Public Accounts assists in recovering warrants to be issued to an individual who has a warrant hold in place.

Administrative Actions

Administrative Actions functions with support and assistance from the Texas Comptroller of Public Accounts, which provides information regarding employer entities and allows warrant holds and vendor holds to be placed directly onto their systems by TWC, for employers who owe funds(taxes, unpaid wages, penalties, interest, fees, unreimbursed benefits, etc.) to the TWC. And stops any payments to those entities until the balance due TWC is paid in full.

The Texas Secretary of State, which provides information on registered corporations and various entities as well as their status.

Also the Secretary of States from all 50 states provides information on foreign corporations (i.e. Outside of Texas).

Civil Actions

- OAG,
- Comptroller of Public Accounts,
- Secretary of State

Special Actions

Office of the Attorney General, is the legal representative of TWC in all bankruptcy proceedings that meet their monetary criteria (claims that are \$2,000.00 or more).

K. If contracted expenditures are made through this program please provide:

- a short summary of the general purpose of those contracts overall;
- the amount of those expenditures in fiscal year 2012;
- the number of contracts accounting for those expenditures;
- top five contracts by dollar amount, including contractor and purpose;
- the methods used to ensure accountability for funding and performance; and
- a short description of any current contracting problems.

Not applicable.

L. Provide information on any grants awarded by the program.

Not applicable.

M. What statutory changes could be made to assist this program in performing its functions? Explain.

None at this time.

N. Provide any additional information needed to gain a preliminary understanding of the program or function.

Not applicable.

O. Regulatory programs relate to the licensing, registration, certification, or permitting of a person, business, or other entity. For each regulatory program, if applicable, describe:

- why the regulation is needed;
- the scope of, and procedures for, inspections or audits of regulated entities;
- follow-up activities conducted when non-compliance is identified;
- sanctions available to the agency to ensure compliance; and
- procedures for handling consumer/public complaints against regulated entities.

Not applicable.

P. For each regulatory program, if applicable, provide the following complaint information. The chart headings may be changed if needed to better reflect your agency's practices.

Not applicable.

A. Provide the following information at the beginning of each program description.

Name of Program or Function	Statistical Sampling Department
Location/Division	Regulatory Integrity Division
Contact Name	Jonathan Carson
Actual Expenditures, FY 2012	\$561,095
Number of Actual FTEs as of June 1, 2013	12
Statutory Citation for Program	Benefit Accuracy Measurement Section 3304 of IRS Code of 1954 Section 303(a)(1) of Social Security Act Section 303(a)(6) of Social Security Act Section 303(b)(1) of Social Security Act Tax Performance System Mandatory under the United States Secretary of Labors authority to require reports and operational data Data Validation OMB Notice of Action 1225-0448 Risk Analysis N/A

B. What is the objective of this program or function? Describe the major activities performed under this program.

The objective of Statistical Sampling is to perform thorough audits of core functions of the Unemployment Insurance (UI) program and to report the results of those audits in a straightforward and comprehensible manner

Benefits Accuracy Measurement assesses whether UI benefits are properly paid or denied.

- Paid Claims
- Denied Claims

The **Tax Performance System** assesses the accuracy, timeliness, and completeness of Unemployment Insurance tax operations and makes recommendations for improvement.

- Status Determinations and Status Posting Functions
- Cashiering
- Report Delinquency
- Collections
- Field Audit
- Account Maintenance

Data Validation assesses the accuracy of UI reports and collaborates with Support Services, Tax/Contributions, and Applications Development and Maintenance to improve them.

- Benefits
- Taxes/Contributions

Risk Analysis employs Enterprise Risk Management techniques to assess risks to the UI program.

- Benefits
- Taxes/Contributions
- Appellate Services

C. What evidence can you provide that shows the effectiveness and efficiency of this program or function? Provide a summary of key statistics and performance measures that best convey the effectiveness and efficiency of this function or program.

Benefit Accuracy Measurement, the Tax Performance System, Data Validation, and Risk Analysis are mandatory federal programs administered by the State of Texas and subject to federal oversight.

D. Describe any important history regarding this program not included in the general agency history section, including how the services or functions have changed from the original intent.

Benefit Accuracy Measurement has mutated in recent years from a program designed to inform state UI programs to an additional means of federal oversight of UI.

E. Describe who or what this program or function affects. List any qualifications or eligibility requirements for persons or entities affected. Provide a statistical breakdown of persons or entities affected.

Statistical Sampling programs audit different aspects of the UI program.

F. Describe how your program or function is administered. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures. Indicate how field/regional services are used, if applicable.

Benefit Accuracy Measure performs annually at least 480 audits of paid UI claims and at least 450 audits of denied claims. Twice a year the U.S. Department of Labor (DOL) audits each state program.

The Tax Performance System audits the Texas tax program and prepares an annual report. DOL audits each state program every four years.

Data Validation audits various UI reports at various intervals, chiefly annual intervals. Federal oversight has recently been strengthened.

Risk Analysis performed every three years and the results reported to the Executive Director of TWC. There is as yet no federal oversight, though the program is mandatory.

G. Identify all funding sources and amounts for the program or function, including federal grants and pass-through monies. Describe any funding formulas or funding conventions. For state funding sources, please specify (e.g., general revenue, appropriations rider, budget strategy, fees/dues).

Please see Section G under “Regulatory Integrity Division.”

H. Identify any programs, internal or external to your agency, that provide identical or similar services or functions to the target population. Describe the similarities and differences.

Benefits Timeliness and Quality and Benefit Payment Control Investigations complement Benefit Accuracy Measurement. Benefits Timeliness and Quality assesses the quality of Unemployment Insurance claims-taking and adjudication, given the information available at the time. Benefit Accuracy Measurement performs a retrospective assessment. Benefit Payment Control Investigations conducts a great number of investigations of Unemployment Insurance claims to uncover concealed earnings and issue fraud determinations. Benefit Accuracy Measurement also searches for concealed earnings but on a much smaller scale governed by a sampling technique.

Tax has its own quality control efforts. Like Benefit Accuracy Measurement, the Tax Performance System employs sampling techniques.

I. Discuss how the program or function is coordinating its activities to avoid duplication or conflict with the other programs listed in Question H and with the agency’s customers. If applicable, briefly discuss any memorandums of understanding (MOUs), interagency agreements, or interagency contracts.

Statistical Sampling programs operate on samples of benefit payments and denials, tax functions, and federal reports. Results are conveyed to management of the audited functions.

J. If the program or function works with local, regional, or federal units of government, include a brief description of these entities and their relationship to the agency.

All Statistical Sampling programs are federal programs administered by the state. All but Risk Analysis are subject to federal oversight.

K. If contracted expenditures are made through this program please provide:

- a short summary of the general purpose of those contracts overall;
- the amount of those expenditures in fiscal year 2012;
- the number of contracts accounting for those expenditures;
- top five contracts by dollar amount, including contractor and purpose;
- the methods used to ensure accountability for funding and performance; and
- a short description of any current contracting problems.

Not applicable.

L. Provide information on any grants awarded by the program.

Not applicable.

M. What statutory changes could be made to assist this program in performing its functions? Explain.

None at this time.

N. Provide any additional information needed to gain a preliminary understanding of the program or function.

DOL exercises federal oversight of Benefit Accuracy Measurement in a heavy-handed manner that takes little account of the differences among the states and seriously impairs the ability of the program to achieve its objectives.

O. Regulatory programs relate to the licensing, registration, certification, or permitting of a person, business, or other entity. For each regulatory program, if applicable, describe:

- why the regulation is needed;
- the scope of, and procedures for, inspections or audits of regulated entities;
- follow-up activities conducted when non-compliance is identified;
- sanctions available to the agency to ensure compliance; and
- procedures for handling consumer/public complaints against regulated entities.

None at this time.

P. For each regulatory program, if applicable, provide the following complaint information. The chart headings may be changed if needed to better reflect your agency's practices.

None at this time.

A. Provide the following information at the beginning of each program description.

Name of Program or Function	Legal Enforcement Services
Location/Division	Regulatory Integrity Division
Contact Name	John Moore
Actual Expenditures, FY 2012	\$712,262
Number of Actual FTEs as of June 1, 2013	5
Statutory Citation for Program	N/A

B. What is the objective of this program or function? Describe the major activities performed under this program.

The Legal Enforcement Services Unit of the Regulatory Integrity Division provides legal services in support of administrative hearings under Chapter 213 of the Texas Labor Code and Chapter 132 of the Texas Education Code. It also provides legal support to all judicial reviews of unemployment insurance administrative decisions and administrative decisions under the Texas Payday Law (Chapter 61 of the Texas Labor Code). The unit works with the Office of the Attorney General for the state of Texas in litigation involving collection of delinquent unemployment compensation contributions and unemployment benefit overpayments. The unit also provides enforcement support for the Texas Workforce Commission Civil Rights Division. In addition, the unit represents the agency in any sanction appeal proceedings involving local workforce boards under 40 TAC Chapters 801 and 802. The unit also represents the agency in all disallowed cost appeals involving subrecipients of grants from the agency.

C. What evidence can you provide that shows the effectiveness and efficiency of this program or function? Provide a summary of key statistics and performance measures that best convey the effectiveness and efficiency of this function or program.

UI Lawsuits 2010-2012

	CY10	CY11	CY12
Total Number of Votes	20,250	22,633	
Total Number of Lawsuits	126	172	128
Affirm/Nonsuit/ Dismiss/Agreed Judgment	76	63	19
Remanded Cases	1	0	0
Reversed Cases	3	4	0
In favor of Claimant	2	1	0
In favor of Employer	1	3	0
Other	0	0	0
Pending Cases	46	105	109

Payday Lawsuits 2010-2012

	CY10	CY11	CY12
Total Number of Votes	732	924	681
Total Number of Lawsuits	25	32	21
Affirmed/Nonsuited/Dismissed/Agreed Judgment	13	15	4
Remanded Cases	0	0	0
Reversed Cases	0	1	0
In favor of Claimant	0	0	0
In favor of Employer	0	1	0
Other	0	0	0
Pending Cases	12	16	17

Tax Lawsuits 2010-2012

	CY10	CY11	CY12
Total Number of Lawsuits	9	12	24
Affirmed/Dismissed/Nonsuited	1	1	1
Reversed	0	0	0
Compromise Settlement Agreement/Settlement - Release Signed	0	0	0
Consent Judgment/Agreed Judgment/Motion& Consent Judgment	0	0	0
Other	0	0	0
Pending	8	11	23

Other Administrative Hearings through 2012

TYPE OF PROCEEDING	CAREER SCHOOL LICENSING	CHILD LABOR HEARINGS	DISALLOWED COST	RULE 13 HEARING	SANCTIONS
Number of Cases	156	48	2	9	31
Resolved in Favor of TWC	143 *	43*	0	1	19
Resolved Adverse to TWC	1	3	0	0	0
Split Decisions	0	0	0	1	0
Settlement	0	9	0	1	0
Pending	13	5	2	6	12

* Preliminary Determination Rescinded / No Penalty Accessed

D. Describe any important history regarding this program not included in the general agency history section, including how the services or functions have changed from the original intent.

Not applicable.

E. Describe who or what this program or function affects. List any qualifications or eligibility requirements for persons or entities affected. Provide a statistical breakdown of persons or entities affected.

The unit affects employers, unemployment insurance claimants, wage claimants, career schools and colleges, local workforce boards, grantees of the agency.

There are no additional qualifications or eligibility requirements to receive these services.

F. Describe how your program or function is administered. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures. Indicate how field/regional services are used, if applicable.

The Legal Enforcement Services Unit is organized within the Regulatory Integrity Division (RID) of the TWC, with the Division Director reporting to the Executive Director.

G. Identify all funding sources and amounts for the program or function, including federal grants and pass-through monies. Describe any funding formulas or funding conventions. For state funding sources, please specify (e.g., general revenue, appropriations rider, budget strategy, fees/dues).

Please see Section G under “Regulatory Integrity Division”.

H. Identify any programs, internal or external to your agency, that provide identical or similar services or functions to the target population. Describe the similarities and differences.

There are no programs, internal or external to the agency, that provide identical or similar services of functions to the target population.

I. Discuss how the program or function is coordinating its activities to avoid duplication or conflict with the other programs listed in Question H and with the agency’s customers. If applicable, briefly discuss any memorandums of understanding (MOUs), interagency agreements, or interagency contracts.

There are no programs, internal or external to the agency, that provide identical or similar services of functions to the target population.

J. If the program or function works with local, regional, or federal units of government, include a brief description of these entities and their relationship to the agency.

The Legal Enforcement Services Unit works with the Office of the Attorney General in all matters that require judicial review of TWC administrative decisions. The Unit works directly with the Office of the Attorney General's Financial Litigation & Tax/Charitable Trust Division, Collections Division, Consumer Protection Division, and General Litigation Division. The Unit prepares discovery responses, witnesses, documents, and pleadings as part of its relationship with the Office of the Attorney General.

K. If contracted expenditures are made through this program please provide:

- a short summary of the general purpose of those contracts overall;
- the amount of those expenditures in fiscal year 2012;
- the number of contracts accounting for those expenditures;
- top five contracts by dollar amount, including contractor and purpose;
- the methods used to ensure accountability for funding and performance; and
- a short description of any current contracting problems.

Not applicable.

L. Provide information on any grants awarded by the program.

Not applicable.

M. What statutory changes could be made to assist this program in performing its functions? Explain.

None at this time.

N. Provide any additional information needed to gain a preliminary understanding of the program or function.

The Legal Enforcement Services Unit handles judicial reviews under the provisions of Title IV of the Labor Code, Chapter 61 of the Labor Code and Chapter 132 of the Texas Education Code. These are statutorily required services when a claimant, employer, or career school or college appeals an administrative decision of TWC under the appropriate statutory provision.

O. Regulatory programs relate to the licensing, registration, certification, or permitting of a person, business, or other entity. For each regulatory program, if applicable, describe:

- **why the regulation is needed;**
- **the scope of, and procedures for, inspections or audits of regulated entities;**
- **follow-up activities conducted when non-compliance is identified;**
- **sanctions available to the agency to ensure compliance; and**
- **procedures for handling consumer/public complaints against regulated entities.**

Not applicable.

P. For each regulatory program, if applicable, provide the following complaint information. The chart headings may be changed if needed to better reflect your agency's practices.

Not applicable.

A. Provide the following information at the beginning of each program description.

Name of Program or Function	Unemployment Benefits Program
Location/Division	Unemployment Insurance and Regulation Division,
Contact Name	LaSha Lenzy, Division Director
Actual Expenditures, FY 2012	\$70,983,986
Number of Actual FTEs as of June 1, 2013	1,061.6
Statutory Citation for Program	<p>Federal- Title III of the Social Security Act, 42 USC 501 <i>et. Seq.</i> and The Federal Unemployment Tax Act, 26 USC 3301 <i>et. seq.</i></p> <p>State- Title 4, Subtitle A, Chapters 201 – 215, Texas Labor Code and Title 40, Part 20, Chapter 815, Texas Administrative Code</p> <p>Rulemaking authority- Title 4, Subtitle B, Chapter 301, Subchapter D, Section 301.061, Texas Labor Code</p>

B. What is the objective of this program or function? Describe the major activities performed under this program.

The Unemployment benefits program provides temporary, partial income replacement to individuals who lose their jobs through no fault of their own.

The Unemployment benefits program meets its responsibilities by processing claims for benefits, providing information to the public and to interested parties, ensuring programmatic quality and adherence to federal and state law, administrative rules, and performance standards.

Specifically, the program activities include:

- Accepting and processing claims for unemployment benefits, Disaster Unemployment Assistance, Trade Readjustment Assistance, Emergency Unemployment Compensation, and Short Time Compensation.
- Providing information to claimants, employers, and the general public about the unemployment program and about other TWC reemployment efforts
- Providing information to claimants and employers about the status of individual claims for benefits
- Investigating and documenting facts provided by employers , claimants, and other parties and adjudicating questions of fact that arise in connection with claims
- Maintaining qualitative and quantitative performance standards by individual claims takers, claims examiners, management staff, and by the claims taking system as a whole
- Investigating and remedying claim irregularities, documentation issues, and potential improper payments

C. What evidence can you provide that shows the effectiveness and efficiency of this program or function? Provide a summary of key statistics and performance measures that best convey the effectiveness and efficiency of this function or program.

In 1933, Congress enacted the Wagner-Peyser Act, creating the U.S. Employment Service (USES) within the U.S. Department of Labor (DOL). The USES’ task was to find jobs for people in the midst of the Depression, when an estimated 13 million workers were seeking employment. In 1935, Congress passed the Social Security Act, which, under Title III, established the present system of unemployment and, under Title IX, the unemployment Trust Fund. The unemployment program fostered a partnership between federal and state governments, in part, by establishing a system of tax credits and incentives for states that adopted a state unemployment program. Title III required states to use their local employment agencies, Employment Security (ES) offices, to take unemployment claims, and to register unemployment claimants for job matching services

The dual purpose of the national unemployment program is to stabilize the economy in times of economic recession by providing income to unemployed and partially-unemployed workers who lose their job through no fault of their own. Unemployment benefits pay eligible workers an income while they are looking for work so they can meet their most basic financial needs and support local businesses. Structurally, the unemployment program fosters a partnership between employers, claimants, and federal and state governments by establishing funding through a system of tax credits and incentives. Employers contributing to state unemployment programs are relieved of the obligation to pay a major portion of federal unemployment taxes, and employers who avoid laying off employees are able to lower their unemployment taxation rates. States that maintain and adequately fund their unemployment programs may establish their own guidelines for benefits payments and tax contributions.

Accepting the partnership challenge in 1936, the Texas Legislature established broad guidelines and policies for a state unemployment program under the Texas Unemployment Compensation Act (TUCA). Despite changes, they remain the foundation for sustaining stable state and local economies while providing eligible unemployed Texans with temporary income and help with finding a new job.

In 2012, \$4,677,768,790 dollars were paid in unemployment benefits to 877,757 claimants through the Texas Unemployment Compensation Trust Fund. This figure includes both regular and federal emergency unemployment compensation.

Unemployment benefits key performance measures are established by DOL and by the Texas Legislative Budget Board (LBB). Following is a list of the measures and established targets:

Department	Description	Target	Achievement
LBB	Percentage of unemployment Claims paid timely	95%	96.62%
LBB	Average wait time on hold for unemployment customers (minutes)	8.53	7.58
DOL	Nonmonetary determinations quality (employment separations)	75%	80.3%

D. Describe any important history regarding this program not included in the general agency history section, including how the services or functions have changed from the original intent.

None of the central services or core functions of the unemployment claims program have diverged significantly from their original intent.

Service delivery methods have changed over the years, but the purpose and central function of the unemployment claims program have not changed since its inception. State employment security agencies, including TWC, continue to accept and process claims, and fulfill related administrative requirements.

The mission of the unemployment claims program is ongoing. The program is recognized as a key institutional structure essential to the economic health of the country.

E. Describe who or what this program or function affects. List any qualifications or eligibility requirements for persons or entities affected. Provide a statistical breakdown of persons or entities affected.

Eligible workers who have lost their jobs through no fault of their own can receive temporary replacement income for a portion of their lost wages if they qualify.

In FY 2012, the agency processed 950,543 initial unemployment claims. This figure is projected to drop to approximately 824,794 in FY 2014 due to the expected economic recovery.

Qualification for receipt of unemployment benefits requires:

- Separation from last work under qualifying circumstances (no fault of the worker)
- Wages in at least two of the four base period calendar quarters (the base period is the first four of the five completed calendar quarters ending prior to the date the claim for benefits is filed)
- Sufficient wages in the base period: total base period wages of at least 37 times the individual's weekly benefit amount, which is calculated as wages in the base period quarter with the highest earnings divided by 25 (adjusted to fall within the statutory minimum and maximum weekly benefit amount)
- Earnings of at least six times his/her weekly benefit amount for a second claim in the same year.

To maintain eligibility for receipt of unemployment benefits, claimants must:

- Be "able and available" at all times for full-time work
- Register with their Local Workforce Development (Employment Security) office, and participate in required reemployment activities
- Make an active search for work, and maintain a written log of work search activities
- When referred to a suitable job, apply, and when offered a suitable job, accept
- File payment requests every two weeks via an automated telephone voice response system or through the Internet, report any wages received during the period, and affirm that they are "able and available" for suitable work and are actively searching for work
- Contact the agency when instructed to do so

F. Describe how your program or function is administered. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures. Indicate how field/regional services are used, if applicable.

The Unemployment Insurance and Regulation Division director reports to the agency executive director, who reports to the Commissioners. The Unemployment & Regulation Division is organized into six departmental units: Unemployment Insurance Support Services, Unemployment Call Center Operations, Unemployment Tax, Appeals, Commission Appeals, and Special Hearings.

Because the unemployment program is built upon a unique federal/state partnership, regulatory authority for the unemployment program is vested in the state Legislature, yet state laws governing unemployment must conform to federal law, to regulations established by the federal government, and to general guidelines established by the DOL.

Responses to questions about unemployment and filing for claims take place over the Internet or telephone. TWC provides the following self-service options to claimants and employers over the Internet and the last four are also available through Interactive Voice Response (IVR) systems:

- File a claim.
- Respond to the initial request of information (Employers only).
- File payment requests every two weeks.
- Inquire about the status of their claims.
- Make changes to payment method (debit card or direct deposit)
- Inquire about 1099 G information for incoming tax purposes

TWC maintains an unemployment Tele-Center network with four linked telephone call centers in El Paso, Fort Worth, McAllen, and San Antonio, and one adjudications unit in Austin. A second temporary Tele-Center in San Antonio closed at the end of FY 2013. Each Tele-center has a director, who reports to the director of the Unemployment Call Center Operations Department in Austin.

The Unemployment Insurance Support Services department (UISS) supports claimants, employers, and the public, as well as other departments and divisions. UISS provides reports and information on unemployment benefits, state and federal laws and policies, and coordinates the programming and procedural materials for staff, claimants, and employers in clear and easy-to-understand terms.

G. Identify all funding sources and amounts for the program or function, including federal grants and pass-through monies. Describe any funding formulas or funding conventions. For state funding sources, please specify (e.g., general revenue, appropriations rider, budget strategy, fees/dues).

Funding Source FY 2012	Amount
Federal American Recovery and & Reinvestment Act	\$ 6,689,739
Appropriated Receipts	\$ 1,226,604
Interagency Contracts	\$ 119
Federal Fund	\$ 62,239,923
Federal Program Income	\$ 827,601
Total Unemployment benefits	\$ 70,983,986

This total amount of \$70,983,986 links to Strategy 1.4.1 – of the 2012 Legislative Appropriations Request (LAR) and Strategy 2.12 Technical Assistance.

H. Identify any programs, internal or external to your agency, that provide identical or similar services or functions to the target population. Describe the similarities and differences.

TWC’s Regulatory Integrity Division (RID) enforces all regulatory statutes within the jurisdiction of the agency that affect Unemployment Claims, Career Schools, Board sanctions, Wage claims and Child labor. A priority of the division is the prevention, detection, and elimination of fraud and abuse in the UI Program.

Both the Unemployment benefits and RID divisions strive to prevent, detect, and eliminate fraud and abuse in the Unemployment benefits program. We educate claimants and employers on the regulations for receipt of benefits. We have processes in place to detect potential fraud, such as unreported or underreported earnings. We both investigate potential fraud and issue decisions.

The Unemployment benefits division does not:

- Issue final fraud decisions
- Handle fraud schemes
- Handle collections of overpaid benefits
- Prosecute fraudulent actions involving unemployment benefits

RID does not:

- Process applications for unemployment benefits, disaster assistance, or Trade Readjustment Assistance (TRA)
- Handle customer inquiries regarding unemployment benefits, disaster assistance, or TRA
- Adjudicate eligibility issues, other than fraud
- Verify work search activities
- Handle employer chargeback determinations and issues
-

I. Discuss how the program or function is coordinating its activities to avoid duplication or conflict with the other programs listed in Question H and with the agency's customers. If applicable, briefly discuss any memorandums of understanding (MOUs), interagency agreements, or interagency contracts.

TWC's automated workflow assignment process distributes work to either the Tele-Center or RID staff using preset conditions that identify which division is responsible for working the assignment.

J. If the program or function works with local, regional, or federal units of government, include a brief description of these entities and their relationship to the agency.

DOL is responsible for federal administration and oversight of the national unemployment program. TWC regularly submits performance reports to DOL. These reports are used for national program performance evaluation, reporting, and economic forecasting. DOL and the Office of the Inspector General ensure program integrity through periodic audits of the agency's fraud and overpayment detection, prevention, and recovery effort. DOL underwrites research and pilot initiatives to improve program performance and efficiency, including, for example, new technology applications, training and research seminars, formal academic studies, and "Best Practices" colloquia.

K. If contracted expenditures are made through this program please provide:

- a short summary of the general purpose of those contracts overall;
- the amount of those expenditures in fiscal year 2012;
- the number of contracts accounting for those expenditures;
- top five contracts by dollar amount, including contractor and purpose;
- the methods used to ensure accountability for funding and performance; and
- a short description of any current contracting problems.

Not applicable

L. Provide information on any grants awarded by the program.

Not applicable

M. What statutory changes could be made to assist this program in performing its functions? Explain.

None at this time.

N. Provide any additional information needed to gain a preliminary understanding of the program or function.

None.

O. Regulatory programs relate to the licensing, registration, certification, or permitting of a person, business, or other entity. For each regulatory program, if applicable, describe:

- why the regulation is needed;
- the scope of, and procedures for, inspections or audits of regulated entities;
- follow-up activities conducted when non-compliance is identified;
- sanctions available to the agency to ensure compliance; and
- procedures for handling consumer/public complaints against regulated entities.

Not applicable.

P. For each regulatory program, if applicable, provide the following complaint information. The chart headings may be changed if needed to better reflect your agency's practices.

Not applicable.

A. Provide the following information at the beginning of each program description.

Name of Program or Function	Appeals
Location/Division	Unemployment Insurance and Regulation Division
Contact Name	Dan Ahlfield/Duncan Harden
Actual Expenditures, FY 2012	\$19,950,300
Number of Actual FTEs as of June 1, 2013	276.8
Statutory Citation for Program	Texas Labor Code, Chapters 201-215 & 301; 40 TAC Chapter 815; Social Security Act, (Titles III, IX, XI, XII) 42 USC §§501-504, §§1101-1110, §1320b-7, & §§1321-1324; 5 USC 8501 et seq.; 5 USC 8521 et seq.; Federal Unemployment Tax Act, 26 USC §3301 et seq.; 20 CFR 601-650.

B. What is the objective of this program or function? Describe the major activities performed under this program.

The Unemployment Insurance (UI) Appeals programs, funded through employer taxes, conduct hearings, reviews appeals, and issues decisions and recommendations determining whether parties are entitled to receive UI benefits and whether employers will be subject to tax rate increases as a result of the payment of benefits.

The UI Appeals programs meet their responsibilities by providing information to interested parties, ensuring programmatic quality and adherence to federal and state law, administrative rules, and performance standards, and by providing a formal appeals procedure when issues surrounding an individual claim are in dispute.

Specifically, UI Appeals program activities include:

- Providing information to claimants and employers about the UI benefits program
- Providing information to claimants and employers about the status of individual claims for unemployment benefits
- Determining the liability for tax from employers pursuant to the Texas Unemployment Compensation Act (TUCA).
- Maintaining qualitative and quantitative performance standards by individual hearing officers and by the appeals system as a whole
- Investigating and remedying claims irregularities, documentation issues, and potential improper payments
- Processing appeals of claims determinations from both employers and claimants, and issuing Appeal Tribunal decisions after formal appeals hearings
- Processing appeals from Appeal Tribunal decisions for Commission review as provided by Chapter 212 of the Texas Labor Code

C. What evidence can you provide that shows the effectiveness and efficiency of this program or function? Provide a summary of key statistics and performance measures that best convey the effectiveness and efficiency of this function or program.

The U.S. Department of Labor (DOL) establishes performance measures for both lower authority, first-level appeals and higher authority, commission-level UI appeals. These standards are as follows:

Lower authority:

- 60% of decisions issued within 30 days of appeal being filed
- 80% of decisions issued within 45 days of appeal being filed
- Average case age equal to or less than 30 days old
- 80% of decisions score 85% or above on annual Federal Quality Appraisal Review

From January through May 2013, lower authority appeals exceeds all DOL performance standards:

- 63% of decisions issued within 30 days of appeal being filed
- 85% of decisions issued within 30 days of appeal being filed
- Current average case age is 24 days
- 2012 average score on annual Federal Quality Appraisal Review was 94%

Higher authority:

- Average case age equal to or less than 40 days old

From January through May 2013 higher appeals case age has averaged less than 45 days and has consistently mailed more than 90% of decisions within 75 days.

D. Describe any important history regarding this program not included in the general agency history section, including how the services or functions have changed from the original intent.

None of the central services or core functions of the UI Appeals program have diverged significantly from their original intent.

Service delivery methods have changed over the years, but the purpose and central function of the UI Appeals program have not changed since its inception. State employment security agency Appeals Departments, including TWC, continue to conduct benefits eligibility hearings, case reviews, issue decisions and fulfill related administrative requirements.

The mission of the UI Appeals program is ongoing.

E. Describe who or what this program or function affects. List any qualifications or eligibility requirements for persons or entities affected. Provide a statistical breakdown of persons or entities affected.

By assisting in the determination of who is eligible for unemployment benefits, the UI Appeals program ensures that eligible unemployed workers who have lost their jobs through no fault of their own benefit from UI by receiving replacement income for a portion of their lost wages. Texas employers benefit from the division's review of cases, which helps ensure that benefits are provided only to eligible recipients, thus preserving the employer-funded trust fund.

In FY 2012, the agency processed 137,001 lower authority appeals and 20,658 higher authority appeals. This figure is projected to drop to approximately 126,000 lower authority appeals and 19,000 higher authority appeals in FY 2013 due to the current economic climate.

Qualification for receipt of UI benefits requires:

- Separation from last work under qualifying circumstances (no fault of the worker)
- Wages in at least two of the four base period calendar quarters (the base period is the first four of the five completed calendar quarters ending prior to the date the claim for benefits is filed)
- Sufficient wages in the base period: total base period wages of at least 37 times the individual's weekly benefit amount, which is calculated as wages in the base period quarter with the highest earnings divided by 25 (adjusted to fall within the statutory minimum and maximum weekly benefit amount)
- Earnings of at least six times his/her weekly benefit amount for a second claim in the same year

To maintain eligibility for receipt of UI benefits, claimants must:

- Be "able and available" at all times for full-time work
- Register with their Local Workforce Development (Employment Security) office, and participate in required reemployment activities
- Make an active search for work, and maintain a written log of work search activities
- When referred to a suitable job, apply, and when offered a suitable job, accept
- File certifications every two weeks via an automated telephone voice response system, report any wages received during the period, and affirm that they are "able and available" for suitable work and are actively searching for work
- Contact the agency when instructed to do so

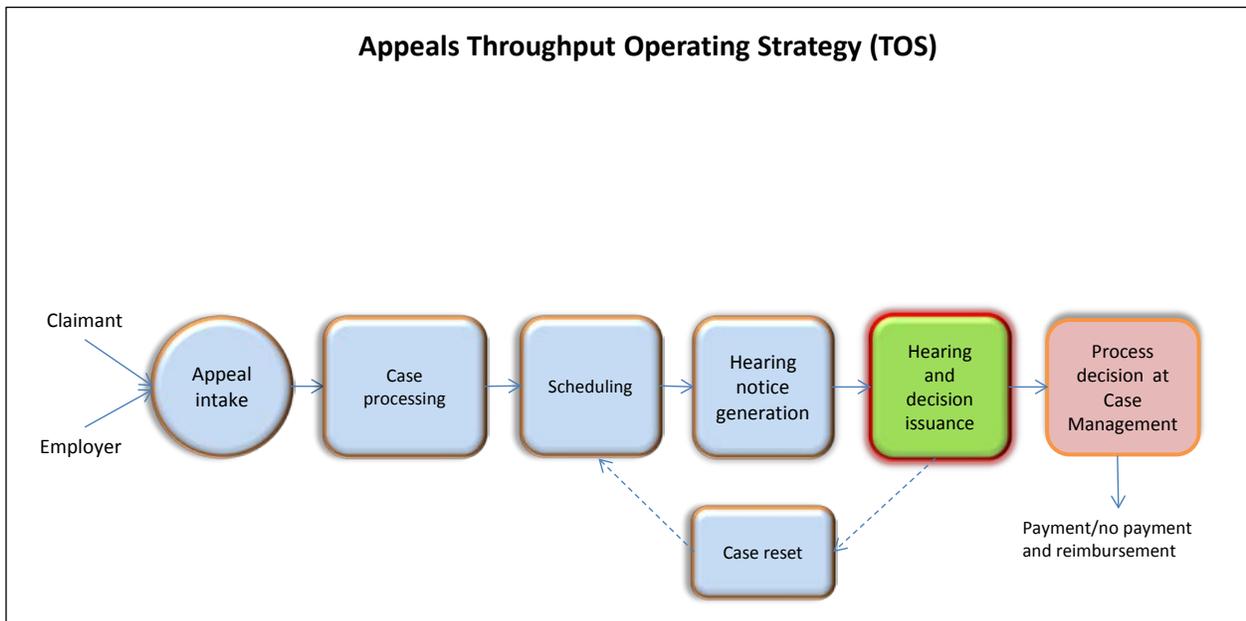
F. Describe how your program or function is administered. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures. Indicate how field/regional services are used, if applicable.

The agency's Director of the Unemployment Insurance and Regulation Division reports to the agency executive director, who reports to the Commissioners. The UI & Regulation Division is organized into six departmental units: UI Support & Customer Service, Call Center Operations, UI Tax, Appeals, Commission Appeals, and Special Hearings. Because the UI program is built upon a unique federal/state partnership, regulatory authority for the UI program is vested in the state Legislature, yet state laws governing UI must conform to federal law, to regulations established by the federal government, and to general guidelines established by DOL.

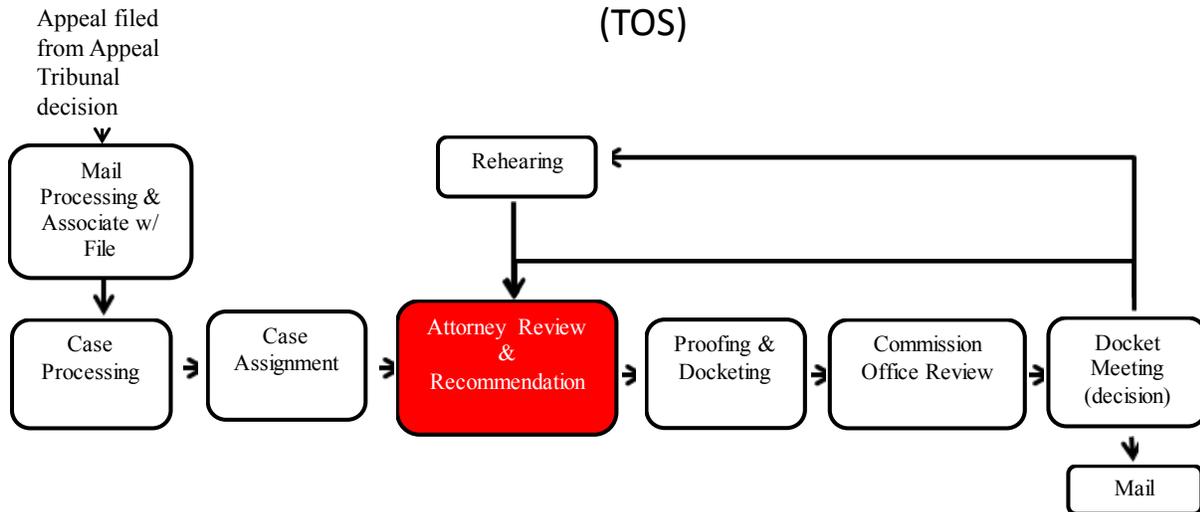
The UI lower authority Appeals Department consists of 202 employees. The state office has 39 employees including the department director, 5 supervisors, 13 hearing officers, and 20 employees who support the Appeals Department statewide. Approximately 67 UI Appeals Department hearing officers, with 29 support staff and 6 supervisors, are located in field offices throughout the state. Four large field offices in Austin, Grand Prairie and San Antonio with the two Austin locations and Grand Prairie location having on-site appeals supervisors. Smaller field offices are in Beaumont and El Paso. In addition, approximately 54 UI Appeals Department hearing officers and 4 support staff telecommute from their homes throughout the state. They report to appeals supervisors in the larger field offices or the state office in Austin. The lower authority appeals supervisors report to the director of the appeals department in the state office in Austin.

TUCA provides that parties dissatisfied with Appeal Tribunal decisions may file an appeal to the three-member Commission. The Commission Appeals Department, located in the state office, processes and assists in the review of those appeals. The Commission Appeals Department consists of 34 reviewing attorneys, of whom 25 telecommute, 14 support staff, and 5 supervisors. The supervisors report to the Director of the Commission Appeals Department. Parties may petition a court for judicial review of these decisions.

Upon written request by an employing unit, or upon its own motion, the three-member Commission may grant a hearing related to the employer’s tax liability or any question relating to contributions or reimbursement.



Commission Appeals Throughput Operating Strategy (TOS)



G. Identify all funding sources and amounts for the program or function, including federal grants and pass-through monies. Describe any funding formulas or funding conventions. For state funding sources, please specify (e.g., general revenue, appropriations rider, budget strategy, fees/dues).

The federal/state partnership arrangement established in the 1930s for UI continues today. Funds to pay UI benefits are derived from taxes paid by employers under the TUCA and deposited in the state Unemployment Compensation Trust Fund. State law sets a floor and a ceiling for the state UI Trust Fund from which benefits are paid. When the balance amount falls out of the established range, automatic adjustments to employer tax rates occur. Funding for states to administer the UI program and to operate Employment Security offices comes primarily from monies derived under Federal Unemployment Tax Act paid by employers and deposited in the Federal Unemployment Trust Fund. The federal government then disburses administrative funds to the states as part of the annual DOL budget appropriations process.

Funding for the annual base grant for administration of the UI program is part of the discretionary budget for DOL, which is approved each year by the U.S. Congress. The amount of funding is determined by the population of workers in the state who are covered by UI and by a number of productivity factors.

Funding for FY 2012

- In FY 2012, the UI Appeals programs received a base appropriation for administration of the UI program plus direct and indirect "overhead" in the amount of \$19,479,074.
- Additionally, in FY 2012, the UI Appeals programs received federal American Recovery and Reinvestment Act appropriations in the amount of \$471,226.

Program funding is referenced in 2012 LAR Strategy 1.4.2.

H. Identify any programs, internal or external to your agency, that provide identical or similar services or functions to the target population. Describe the similarities and differences.

Not applicable.

I. Discuss how the program or function is coordinating its activities to avoid duplication or conflict with the other programs listed in Question H and with the agency's customers. If applicable, briefly discuss any memorandums of understanding (MOUs), interagency agreements, or interagency contracts.

Not applicable.

J. If the program or function works with local, regional, or federal units of government, include a brief description of these entities and their relationship to the agency.

The UI federal/state partnership is mandatory in the sense that state cooperation is demanded by funding mechanisms and by severe federal penalties for non-cooperation. Employers pay both federal and state UI taxes. States with conforming laws are granted considerable latitude in determining benefits rates, qualifying criteria, and taxing mechanisms; however, federal law and DOL regulations provide broad and specific guidelines with which states must conform. As long as a state complies with federal law and conforms to DOL regulations, employers in the state are granted a "credit" against the federal UI tax rate. A state found to be out of compliance or conformity risks loss of the credit at enormous cost to state employers.

DOL is responsible for federal administration and oversight of the national UI program. TWC regularly submits performance reports to DOL. These reports are used for national program performance evaluation, reporting, and economic forecasting. DOL and the Office of the Inspector General ensure program integrity through periodic reviews of program activities. DOL underwrites research and pilot initiatives to improve program performance and efficiency, including, for example, new technology applications, training and research seminars, formal academic studies, and "Best Practices" colloquia.

K. If contracted expenditures are made through this program please provide:

- a short summary of the general purpose of those contracts overall;
- the amount of those expenditures in fiscal year 2012;
- the number of contracts accounting for those expenditures;
- top five contracts by dollar amount, including contractor and purpose;
- the methods used to ensure accountability for funding and performance; and
- a short description of any current contracting problems.

- The Appeals programs contracts with interpreters to interpret during hearings and to translate documents for evidence.
- The amount of expenditures for these contracts in FY 2012 was \$1,217,448
- The Appeals program has 23 Spanish interpreter contractors and 2 non-Spanish interpreter companies.
- Top five contracts (all for Spanish interpretation), by dollar amount, are: (1) Kathy Cooke--\$100,000; (2) Maria Brucia--\$100,000; (3) Alberto Favela--\$100,000; (4) Ana Trachter--

\$100,000; and (5--tie) Raquel DeRoo--\$80,000, Ricardo Nance--\$80,000, and Daniel Weinfeld--\$80,000.

- Interpreters are evaluated by hearing officers in real-time performance during hearings. Deficiencies are reported to the departmental Staff Services Officer who makes a determination whether to continue the services of those interpreters. The Staff Services Officer, in conjunction with the Finance Department, reviews contracts and billing to ensure funding accountability, accurate billing, and timely and accurate payment.

L. Provide information on any grants awarded by the program.

Not applicable.

M. What statutory changes could be made to assist this program in performing its functions? Explain.

None at this time.

N. Provide any additional information needed to gain a preliminary understanding of the program or function.

Not applicable.

- O. Regulatory programs relate to the licensing, registration, certification, or permitting of a person, business, or other entity. For each regulatory program, if applicable, describe:**
- why the regulation is needed;
 - the scope of, and procedures for, inspections or audits of regulated entities;
 - follow-up activities conducted when non-compliance is identified;
 - sanctions available to the agency to ensure compliance; and
 - procedures for handling consumer/public complaints against regulated entities.

Not applicable.

P. For each regulatory program, if applicable, provide the following complaint information. The chart headings may be changed if needed to better reflect your agency's practices.

Not applicable.

A. Provide the following information at the beginning of each program description.

Name of Program or Function	Unemployment Insurance – Tax
Location/Division	Unemployment Insurance and Regulation Division
Contact Name	Leigh Pursell
Actual Expenditures, FY 2012	\$23,756,520
Number of Actual FTEs as of June 1, 2013	348.4
Statutory Citation for Program	Texas Labor Code, Chapters 201-215 & 301; 40 TAC Chapter 815; Social Security Act, (Titles III, IX, XI, XII) 42 USC §§501-504, §§1101-1110, §1320b-7, & §§1321-1324; 5 USC 8501 et seq.; 5 USC 8521 et seq.; Federal Unemployment Tax Act, 26 USC §3301 et seq.; 20 CFR 601-650.

B. What is the objective of this program or function? Describe the major activities performed under this program.

The Unemployment Insurance (UI) program, funded through employer taxes, provides temporary, partial income replacement to individuals who have lost their jobs through no fault of their own. TWC's Unemployment Insurance Tax Department is responsible for the assessment and collection of employer taxes that fund the state's unemployment compensation program.

The UI Tax Department is divided into three sections with the following responsibilities:

- Status Section registers and determines the liability of employing units under the Texas Unemployment Compensation Act (TUCA); notifies liable employers of their account number and tax rate; determines applicability of the provision for transfer of compensation experience between employers, updates employer account status and provides employers with accurate information and assistance regarding tax liability.
- Central Tax Operations Section performs specialized accounting procedures, processes refund requests, responds to a variety of employer inquiries for assistance, and issues 940 certifications for Internal Revenue Service purposes.
- Local Tax Offices provide employer assistance in all Tax related areas, provide public education about the Texas Unemployment Compensation Act, collect reports and taxes, conduct audits, and conduct employment investigations.

C. What evidence can you provide that shows the effectiveness and efficiency of this program or function? Provide a summary of key statistics and performance measures that best convey the effectiveness and efficiency of this function or program.

The US Department of Labor uses performance measures to determine each state’s effectiveness in meeting required standards. The standards in the table below show the Tax Department’s performance in three areas, number of wage and tax reports timely received, percentage of accounts audited and new employer status determinations. Texas is exceeding the standard for the percentage of accounts audited and for new employer status determinations. Texas is performing within the required effectiveness level for wage and tax reports timely received. Each standard covers a twelve month period of time.

Performance Measure	Standard	Effectiveness Level
# of Wage and Tax Reports Timely received.	86.46% to 95.55%	94.09%
Percentage of Accounts Audited	1 %	1.5%
New Employer Status Determination 90 day timeliness	70 %	85.6 %

D. Describe any important history regarding this program not included in the general agency history section, including how the services or functions have changed from the original intent.

None of the central services or core functions of the UI - Tax program have diverged significantly from their original intent.

Service delivery methods have changed over the years, but the purpose and central function of the UI - Tax program have not changed since its inception. State employment security agencies, including TWC, continue to collect UI taxes, process tax reports and wage information and fulfill related administrative requirements.

The mission of the UI – Tax program is ongoing. The program is now generally recognized as a key institutional structure essential to the economic health of the state.

E. Describe who or what this program or function affects. List any qualifications or eligibility requirements for persons or entities affected. Provide a statistical breakdown of persons or entities affected.

The UI Tax program provides services to eligible unemployed workers, who have lost their jobs through no fault of their own, benefit from UI by receiving replacement income for a portion of their lost wages. Texas employers benefit from the division’s review of cases, thus ensuring that the payout of benefits is limited to only eligible recipients thus preserving the balance in the trust fund..

Some 473,406 Texas employers paid UI taxes on wages for the quarter ending December 31, 2012. 8,993,027 Texans were receiving unemployment benefits at that same time. The State of Texas experiences an employer growth rate of approximately 1.88 percent annually.

F. Describe how your program or function is administered. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures. Indicate how field/regional services are used, if applicable.

The agency's Director of the Unemployment Insurance and Regulation Division reports to the agency Executive Director, who reports to the Commissioners. The UI & Regulation Division is organized into six departmental units: UI Support & Customer Service, UI Tax, Labor Law (see Labor Law program description), Appeals, Commission Appeals, and Special Hearings.

Because the UI program is built upon a unique federal/state partnership, regulatory authority for the UI program is vested in the state Legislature, yet state laws governing UI must conform to federal law, to regulations established by the federal government, and to general guidelines established by the DOL.

Approximately 338 UI Tax Department representatives are located in a central office in Austin and in 27 tax offices throughout the state. These 27 offices are organized into 5 regions. Regional tax managers are located in Corpus Christi, Houston, Longview, Lubbock, and Fort Worth. The regional tax managers report to the Director of the Tax Department in Austin.

G. Identify all funding sources and amounts for the program or function, including federal grants and pass-through monies. Describe any funding formulas or funding conventions. For state funding sources, please specify (e.g., general revenue, appropriations rider, budget strategy, fees/dues).

The federal/state partnership arrangement established in the 1930s for UI continues today. Funds to pay UI benefits are derived from taxes paid by employers under the TUCA and deposited in the state Unemployment Compensation Fund. State law sets a floor and a ceiling for the state Unemployment Compensation Trust Fund from which benefits are paid. When the balance amount falls out of the established range, automatic adjustments to employer tax rates occur.

Funding for states to administer the UI program and to operate Employment Security offices comes primarily from monies derived under Federal Unemployment Tax Act paid by employers and deposited in the Federal Unemployment Trust Fund. The federal government then disburses administrative funds to the states as part of the annual DOL budget appropriations process.

Funding for the annual base grant for administration of the UI program is part of the discretionary budget for DOL, which is approved each year by the U.S. Congress. The amount of funding is determined by the population of workers in the state who are covered by UI and by a number of productivity factors.

For FY 2012. The UI Tax funding, is referenced in LAR Strategy 1.4.3 as follows:

M0165 Special Admin Fund	\$40,337
M0369 FED Amer Recovery & Reinvestment	\$589,299
M5026 Federal Fund	\$22,740,655
M5128 ETIA	\$386,230
Total	\$23,756,520

H. Identify any programs, internal or external to your agency, that provide identical or similar services or functions to the target population. Describe the similarities and differences.

Not applicable.

I. Discuss how the program or function is coordinating its activities to avoid duplication or conflict with the other programs listed in Question H and with the agency's customers. If applicable, briefly discuss any memorandums of understanding (MOUs), interagency agreements, or interagency contracts.

Not applicable.

J. If the program or function works with local, regional, or federal units of government, include a brief description of these entities and their relationship to the agency.

The UI federal/state partnership is mandatory in the sense that state cooperation is demanded by funding mechanisms and by severe federal penalties for non-cooperation. Employers pay both federal and state UI taxes. States with conforming laws are granted considerable latitude in determining benefits rates, qualifying criteria, and taxing mechanisms; however, federal law and DOL regulations provide broad and specific guidelines with which states must conform. As long as a state complies with federal law and conforms to DOL regulations, employers in the state are granted a "credit" against the federal UI tax rate. A state found to be out of compliance or conformity risks loss of the credit at enormous cost to state employers.

The DOL is responsible for federal administration and oversight of the national UI program. TWC regularly submits performance reports to DOL. These reports are used for national program performance evaluation, reporting, and economic forecasting. DOL and the Office of the Inspector General ensure program integrity through periodic audits of the agency's fraud and overpayment detection, prevention, and recovery effort. DOL underwrites research and pilot initiatives to improve program performance and efficiency, including, for example, new technology applications, training and research seminars, formal academic studies, and "Best Practices" colloquia.

The UI Tax program coordinates with the following:

- Internal Revenue Service – each year the UI Tax program certifies the total and taxable wages paid by Texas employers for a prior year; UI Tax also has a Memorandum of Understanding with the Internal Revenue Service to share the results of audits conducted by either the IRS or UI Tax.
-
- US Department of Labor – UI Tax exchanges information on audit findings with DOL.

K. If contracted expenditures are made through this program please provide:

- a short summary of the general purpose of those contracts overall;
- the amount of those expenditures in fiscal year 2012;
- the number of contracts accounting for those expenditures;
- top five contracts by dollar amount, including contractor and purpose;
- the methods used to ensure accountability for funding and performance; and
- a short description of any current contracting problems.

- Language Line – UI Tax along with other agency departments uses the Language Line for translation purposes. UI Tax expended \$18,176 during 2012 for the use of the Language Line translations.
- Experian – UI Tax along with other agency departments uses Experian to locate missing employers who owe taxes to the state of Texas. UI Tax expended \$22,444.97 during 2012 for the use of Experian. Each month, regional managers receive a report of Experian usage and they review to determine appropriateness of the request.
- Each quarter UI Tax audits both the Language Line and Experian bills received. UI Tax verifies that a specific charge relates to a specific investigation on a Tax account.

L. Provide information on any grants awarded by the program.

Not applicable.

M. What statutory changes could be made to assist this program in performing its functions? Explain.

None.

N. Provide any additional information needed to gain a preliminary understanding of the program or function.

The solvency of the Unemployment Compensation Fund depends upon a balance of UI taxes collected against benefits paid. An employer's tax rate is calculated by multiplying a tax rate, which is based on a ratio of wages paid and UI benefit charges by wages paid to each employee up to \$9,000 per year. The balance of the UC Fund is self-adjusting. TUCA provides that the UC Fund must be kept within a designated range, and when the balance falls outside of this range, automatic adjustments to tax rates are triggered. If the UC Fund balance falls below the legislated floor then the deficit tax will be triggered. If the UC Fund balance rises above the statutory ceiling then employers will be entitled to a tax credit or a reduction in their tax rate. The option of tax credit or rate reduction is decided by the Commissioners.

- O. Regulatory programs relate to the licensing, registration, certification, or permitting of a person, business, or other entity. For each regulatory program, if applicable, describe:**
- **why the regulation is needed;**
 - **the scope of, and procedures for, inspections or audits of regulated entities;**
 - **follow-up activities conducted when non-compliance is identified;**
 - **sanctions available to the agency to ensure compliance; and**
 - **procedures for handling consumer/public complaints against regulated entities.**

In the most technical sense, the UI Tax program is not a regulatory program. Employers are required to register with TWC and to pay UI taxes according to formulas established in state law and administered by the agency.

- P. For each regulatory program, if applicable, provide the following complaint information. The chart headings may be changed if needed to better reflect your agency's practices.**

Not applicable.

A. Provide the following information at the beginning of each program description.

Name of Program or Function	Adult Education and Family Literacy Programs
Location/Division	Workforce Development Division
Contact Name	Anson Green
Actual Expenditures, FY 2012	Not applicable
Number of Actual FTEs as of June 1, 2013	0
Statutory Citation for Program	Texas Labor Code, Chapter 315 (as added by the 83rd Legislature); Workforce Investment Act of 1998, P.L. 105-220, Title II, Sections 201-251

B. What is the objective of this program or function? Describe the major activities performed under this program.

The primary objectives of the Adult Education and Family Literacy programs are to assist adults in becoming literate and obtaining the knowledge and skills necessary for employment and self-sufficiency; to assist adults who are parents in obtaining education and skills necessary to become full partners in the educational development of their children; and to assist adults in the completion of secondary school education.

Major activities performed under this program include instruction:

- In basic skills for adults functioning at the low literacy levels
- For adults whose literacy skills are at approximately the high school level and who are seeking to pass the General Educational Development (GED) tests or obtain an adult high school credential for adults who lack proficiency in English and who seek to improve their literacy and competence in English that allows adults to become more employable, productive, and responsible citizens

This program is being transferred from the Texas Education Agency (TEA) to the Texas Workforce Commission (TWC) as of September 1, 2013.

C. What evidence can you provide that shows the effectiveness and efficiency of this program or function? Provide a summary of key statistics and performance measures that best convey the effectiveness and efficiency of this function or program.

The program will be transferred to TWC as of September 1, 2013.

D. Describe any important history regarding this program not included in the general agency history section, including how the services or functions have changed from the original intent.

On May 18, 2013, Gov. Perry signed Senate Bill (SB) 307, which transfers the Adult Education and Family Literacy (AEFLA) programs, including Adult Basic Education and English Literacy and Civics, from the TEA to TWC. SB 307 was based on a recommendation by the Sunset Commission and requires TWC to take over the administration of the AEFLA programs no later than January 1, 2014. Key requirements of the legislation include establishing a performance-based process of awarding funds, utilizing a competitive procurement process to award contracts to local service providers, creating an Adult Education and Literacy advisory committee, and reporting to the Legislature biennially on the education and employment outcomes of students in the adult education and literacy programs.

In addition, SB 307 requires TWC to:

- Provide adequate staffing to develop, administer, and support a comprehensive statewide adult education program and coordinate related federal and state programs for the education and training of adults
- Develop the mechanism and guidelines for coordinating comprehensive adult education and related skills training services for adults with other entities, including public/private agencies, to plan, develop and implement related programs
- Administer state and federal funds for adult education and related skill training
- Prescribe and administer standards and accrediting policies for adult education
- Prescribe and administer rules for teacher certification for adult education
- Accept and administer grants, gifts, services, and funds from available sources for use in adult education
- Adopt or develop and administer a standardized assessment mechanism for assessing all adult education program participants who need literacy instruction, adult basic education, or secondary education leading to an adult high school diploma or equivalent
- Monitor and evaluate education and employment outcomes of students who participate in the adult education and literacy programs
- Submit a biennial report to the legislature on the education and employment outcomes of every students.

In order to implement a transfer while minimizing any disruption in the provision of services, TWC and TEA developed a detailed transition plan, including a timetable with specific steps and deadlines needed to carry out the transfer in compliance with the legislative requirements, and entered into a memorandum of understanding on July 1, 2013 to execute the provisions set forth in the transition plan.

TWC also engaged in a series of stakeholder meetings over the summer of 2013 to hear from Texans concerning the transfer of the AEFLA programs from TEA to TWC and to gather ideas and suggestions about what is currently working well and where there is opportunity for improvement. TWC remains committed to continuing those communications moving forward.

The authorizing statute specifies that all rules, policies, procedures, and decisions of the TEA relating to the administration of adult education and literacy programs are continued in effect as rules, policies, procedures, and decisions of the TWC until superseded by a rule or other appropriate action by the TWC.

TWC anticipates adoption of a new adult education and literacy program rules in early 2014. Additionally, TWC anticipates conducting a competitive procurement of local providers of adult education and literacy and English Literacy and Civics services in FY2014.

E. Describe who or what this program or function affects. List any qualifications or eligibility requirements for persons or entities affected. Provide a statistical breakdown of persons or entities affected.

Section 203 of Adult Education and Family Literacy Act (Title II of the Workforce Investment Act) defines the term "adult education" as services or instruction below the postsecondary level for individuals who:

- Have attained 16 years of age
- Are not enrolled or required to be enrolled in secondary school under state law; and
- Meet the following criteria:
 - lack sufficient mastery of basic educational skills to enable the individual to function effectively in society
 - do not have a secondary school diploma or its recognized equivalent, and have not achieved an equivalent level of education
 - are unable to speak, read, or write the English language

According to the *Texas Interagency Literacy Council Report*, published in November 2012, some 4.3 million Texans met the federal requirements of qualifying for adult education in 2011—they were over age 16, not in school, did not have a high school degree or a GED credential, or could not speak, read, or write English well.

Based on a comprehensive survey of adult education in Texas, the Texas Workforce Investment Council (TWIC) estimates that nonprofit organizations and volunteer groups served about 80,000 students in 2011. TEA/AEFLA-funded adult education classes served approximately 100,000 in the same year. This means that approximately 180,000 students, or 4.2 percent of the eligible Texas population, received adult education services in 2011 from these sources.

TWIC's survey found more than 26,000 names were on waiting lists for adult education classes—more than 11,000 for TEA/AEFLA-funded programs and more than 15,000 for those funded by other sources.

F. Describe how your program or function is administered. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures. Indicate how field/regional services are used, if applicable.

TWC is the state-level administering agency for integrated workforce services, which will include the administration of adult education and literacy services as of September 1, 2013. The workforce system network is composed of the statewide efforts of TWC currently coupled with planning and service provision on a regional level by 28 Local Workforce Development Boards.

With the addition of adult education and literacy services to the workforce system, TWC will assume the contracts previously between TEA and 55 local adult education and literacy providers and 54 providers of English literacy and civics services. Currently, the adult education and literacy services are provided by entities, such as independent school districts, educational service centers, community colleges, and other allowable entities under the Workforce Investment Act. During FY 2014, TWC will issue a new competitive procurement for the selection of providers of these services.

TWC will provide administrative oversight, but will not directly administer adult education and literacy services. TWC will administer adult education and literacy programs by:

- Developing policy for adult education and literacy services
- Interpreting and implementing the requirements of state and federal statutes and regulations governing adult education and literacy
- Allocating and competitively awarding funds for the provision of adult education and literacy services
- Providing technical assistance
- Establishing performance targets aligning adult education and literacy programs with other programs and services within the Texas workforce system

To maximize all available resources for direct service delivery and minimize administration costs, local adult education programs form partnerships of educational, workforce development, and other human services agencies to plan and collaborate for the provision of adult education and literacy services.

G. Identify all funding sources and amounts for the program or function, including federal grants and pass-through monies. Describe any funding formulas or funding conventions. For state funding sources, please specify (e.g., general revenue, appropriations rider, budget strategy, fees/dues).

The adult education and literacy program is funded with state general revenue, federal Adult Education and Literacy funds, and federal Temporary Assistance for Needy Families funds currently in the Texas Education Agency's strategy A.2.5. Total funding for FY 2014 will be \$70,842,889. These funds will transfer to TWC with the transfer of the program as of September 1, 2013.

Funds allocated to the local services providers are currently governed by State Board of Education and Texas Education Agency rules. TWC will adopt new rules, including allocation methodologies in FY 2014.

H. Identify any programs, internal or external to your agency, that provide identical or similar services or functions to the target population. Describe the similarities and differences.

In a comprehensive survey of adult education in Texas, TWIC estimated that nonprofit organizations and volunteer groups served about 80,000 students in 2011. In 2011, Texas Education Agency (TEA)-funded programs served 100,000 adult education students. Thus, approximately 180,000 students in total, or 4.2 percent of the eligible Texas population, received adult education services in 2011. The services provided by nonprofit and volunteer organizations are not required to comply with the regulatory and reporting requirements associated with the TEA-funded programs.

Additionally, through state discretionary funding, the Texas Higher Education Coordinating Board (THECB) administers specialized programs for Adult Education students including the Adult Basic Education Innovation Grants (ABE-IG). The goal of these grants is to increase participation and success of adult basic education students in workforce training programs at community colleges and public technical institutions. ABE-IG programs are required to partner with federally-funded Adult Education and Literacy programs and complement these programs by funding student supportive services and college credit and non-credit technical training integrated with Adult Education and Literacy services.

The objective for ABE-IG programs is career-path employment and post-secondary education in high-demand jobs in Texas, outcomes that support federal Adult Education and Literacy program performance measures.

I. Discuss how the program or function is coordinating its activities to avoid duplication or conflict with the other programs listed in Question H and with the agency's customers. If applicable, briefly discuss any memorandums of understanding (MOUs), interagency agreements, or interagency contracts.

TWC will be reviewing how to most effectively partner the resources of nonprofit and community-based organizations and the organizations funded to deliver adult education and literacy services in the future.

TWC will coordinate with the THECB in the implementation of the Adult Basic Education Innovation Grants (ABE-IG), referenced in Question H, by collaborating with THECB staff in the implementation of local projects and supporting the technical assistance needs of TWC funded-Adult Education and Literacy programs receiving ABE-IG discretionary funds.

J. If the program or function works with local, regional, or federal units of government, include a brief description of these entities and their relationship to the agency.

The U.S. Department of Education, Division of Adult Education and Literacy, administers the Adult Education and Literacy program funding and federal regulatory requirements.

TWC-funded Adult Education and Literacy programs support secondary education services to non-high school completers and thus, TWC collaborates with the Texas Education Agency (TEA), which administers the Texas high school equivalency program and General Educational Development (GED) exam.

K. If contracted expenditures are made through this program please provide:

- a short summary of the general purpose of those contracts overall;
- the amount of those expenditures in fiscal year 2012;
- the number of contracts accounting for those expenditures;
- top five contracts by dollar amount, including contractor and purpose;
- the methods used to ensure accountability for funding and performance; and
- a short description of any current contracting problems.

Not applicable.

L. Provide information on any grants awarded by the program.

The program will be transferred to TWC as of September 1, 2013.

TWC has successfully crafted a monitoring and performance accountability system that works to maximize results for the workforce system. To the extent appropriate, the following monitoring and performance accountability activities will be applied to the adult education and literacy programs.

As a part of the Regulatory Integrity Division, the Performance, Analysis, and Reporting (PAR) department is responsible for all workforce reporting. PAR provides timely, accurate, understandable information and analyses relevant to the performance, accountability, and integrity of the Texas workforce system. PAR's reporting ensures TWC management has the information necessary to make policy decisions that will help the system meet or exceed performance expectations.

TWC continuously analyzes performance reports and compares actual performance with grant benchmarks. Categorical program data is gathered and relevant reports are generated and made available on the TWC Website.

The Agency's Sub-Recipient Monitoring Unit, which is part of the Regulatory Integrity Division, develops risk assessments and monitors compliance with programmatic and financial requirements associated with the provision of program services. On site monitoring activities conducted by the Sub-Recipient Monitoring unit are designed to identify opportunities to enhance program performance and strengthen control systems. Formal reports are generated for each monitoring visit, and are used as a basis to formulate remedial action plans and technical assistance provision where necessary.

The Workforce Development Division director conducts monthly performance and expenditure reviews with the division's technical assistance and contract management staff. These reviews of grantees ensure that timely corrective actions are taken. When performance indicates the need for training or technical assistance, TWC initiates both.

TWC Commissioners also conduct quarterly performance and expenditure meetings, available by audio webcast, to ensure that grantees are meeting performance obligations, and that programs administered by TWC are meeting performance expectations. Using performance measures to manage and monitor grants allows TWC to emphasize quality.

M. What statutory changes could be made to assist this program in performing its functions? Explain.

None at this time.

N. Provide any additional information needed to gain a preliminary understanding of the program or function.

Not applicable.

O. Regulatory programs relate to the licensing, registration, certification, or permitting of a person, business, or other entity. For each regulatory program, if applicable, describe:

- why the regulation is needed;
- the scope of, and procedures for, inspections or audits of regulated entities;
- follow-up activities conducted when non-compliance is identified;
- sanctions available to the agency to ensure compliance; and
- procedures for handling consumer/public complaints against regulated entities.

Not applicable.

P. For each regulatory program, if applicable, provide the following complaint information. The chart headings may be changed if needed to better reflect your agency's practices.

Not applicable

A. Provide the following information at the beginning of each program description.

Name of Program or Function	Apprenticeship Training Program
Location/Division	Workforce Development Division
Contact Name	Debbie Carlson
Actual Expenditures, FY 2012	\$2,729,134
Number of Actual FTEs as of June 1, 2013	0.9
Statutory Citation for Program	Texas Labor Code, §302.021; Texas Education Code, Chapter 133; 40 TAC Chapter 837; National Apprenticeship Act of 1937, 29 USC §§50 et seq.; 29 CFR Part 29.

B. What is the objective of this program or function? Describe the major activities performed under this program.

TWC’s Apprenticeship program pays a portion of the cost of job-related classroom instruction in registered apprenticeship training programs. The Apprenticeship Program also supports instructor training to enhance the teaching skills of the highly skilled industry journey workers’ who teach the apprentices.

The objective of Chapter 133 funding is to prepare and train individuals for careers in the skilled trades and crafts. Apprenticeship combines on-the-job training supervised by experienced journey workers with job-related, in-person classroom instruction in which workers learn the practical and theoretical aspects of a highly skilled occupation. Chapter 133 funding pays a portion of the cost of job-related classroom instruction that aids employers in gaining a competitive edge in the market place and provides the apprentice with a career track leading to higher wages. Additionally, learning takes place as paid on-the-job training, sometimes referred to as “earn while you learn,” as individuals gain entry into high-wage occupations while avoiding large student loan debts.

C. What evidence can you provide that shows the effectiveness and efficiency of this program or function? Provide a summary of key statistics and performance measures that best convey the effectiveness and efficiency of this function or program.

Texas Education Code – Chapter 133 Apprenticeship Training Program currently has a Legislative Budget Board performance target of 3,600 individuals trained per year. Since 2008 this target has been exceeded by no less than 7% and as much as 15.8%. Over this same time period, the completion rate of the year of training has increased from 75.26% in 2008 to 80.10% in 2012. Additionally, the average statewide wage at completion for the individuals trained has increased from \$17.98 in 2008 to \$20.42 in 2012, reflecting an average increase of \$8.22 an hour or 67.38%.

D. Describe any important history regarding this program not included in the general agency history section, including how the services or functions have changed from the original intent.

On January 28, 2005 Texas Workforce Commission officially modified the Chapter 837 Rule which included:

- Adding a requirement that all applications submitted to the Agency for Chapter 133 funding, also be submitted to the Local Workforce Board (Boards) allowing an opportunity to the Boards to review and comment on the apprenticeship training program application for funding.
- Removal of specific calendar deadlines in order to give the agency flexibility in meeting business/employer needs as to extending the window allowed for hiring.
- Removal of redundant administrative processes and procedures.
- Streamlining and clarifying apprenticeship training program requirements by eliminating language also found in the statute or apprenticeship contracts.

TWC continues to promote the added flexibility permitted through this rule change, allowing programs to accept apprentices for longer time periods. This flexibility has resulted in higher numbers of individuals/apprentices being hired and entering into training, while meeting business/employer needs for growing a well trained workforce.

TWC also moved from a cumbersome paper reporting system to statewide database reporting system in 2011 to improve the protection of personal information of the individuals/apprentices and the data integrity of the information collected.

Texas Education Code, Chapter 133 allows for the apprenticeship training programs that provide on-the-job training, preparatory instruction, supplementary instruction, or related instruction in a trade that is certified as an occupation appropriate for apprenticeship by the Department of Labor. Currently, TWC only supports related instruction due to limited general revenue funding provided from the Texas Legislature. TWC has provided as much as \$1 million in Workforce Investment Act (WIA) funding as well as Supplemental Nutrition Assistance Program and TANF Non-Custodial Parent funding in order to provide additional support for the training programs.

E. Describe who or what this program or function affects. List any qualifications or eligibility requirements for persons or entities affected. Provide a statistical breakdown of persons or entities affected.

There are three primary groups directly affected by this program:

- Apprentices – seeking employment and/or a career
- Employers/business – seeking a well-trained/highly skilled workforce
- Apprenticeship training programs – providing classroom-related training

Each apprenticeship training program is a partnership between industry and education. The industry partner is represented by an Apprenticeship Committee, whose members are appointed by one or more employers of the apprentices and is responsible for overseeing the training program. The education partner is represented by a public school district or a state postsecondary institution. The educational partner is generally referred to as Local Education Agencies (LEA).

Training programs seeking funding have to partner with an LEA that will serve as the fiscal agent for the distribution of the funding. Each Training Program that is funded as well as each apprentice has to be actively registered with U.S. Department of Labor – Office of Apprenticeship.

Each training program may have specific qualifications for job seekers entry into their apprenticeship training program such as:

- Age – 18 years of age to be an apprentice in hazardous occupation
- Education – typically high school diplomas or GED
- Physical Ability – in some instances both physical strength and endurance (When necessary, apprentices must be able to work in a physically demanding environment for extended periods of time and in all weather conditions)
- Performance on aptitude tests
- Secondary or postsecondary grades
- Previous work experience

In addition, TWC’s WIA funds, which supplement the state general revenue apprenticeship funds, require that apprentices must also meet basic WIA eligibility requirements:

- 18 years of age or older (adults)
- A U.S. citizen or noncitizen authorized to work in the U.S.
- Meets Military Selective Service registration requirements (male only)

From 2012 through 2012, an average of 22 LEAs received contracts each year. These contracts supported an annual average of 1,144 employers and the related classroom training supported an annual average of 4,028 apprentices during this same time frame. Any apprenticeship training program – registered with the U.S. Department of Labor – Office of Apprenticeship is eligible to apply for funding as long as they partner with an LEA.

F. Describe how your program or function is administered. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures. Indicate how field/regional services are used, if applicable.

LEAs submit applications to TWC for apprenticeship funds. The LEA serves as the fiscal agent for the funds and distributes the appropriate funding to the local Apprenticeship Committee(s) (it is possible for LEAs to support more than one Apprenticeship Committee and their training programs) to oversee and direct the training program and their related classroom training.

TWC maintains an Apprenticeship webpage (<http://www.twc.state.tx.us/svcs/apprentice/apprentice.html>) that contains:

- Timeline
- Administrator’s Guide
- Planning Estimate Forms – needed to apply for Chapter 133 funding

Apprenticeship funds are distributed based on a noncompetitive application. Applications are submitted, and TWC calculates a preliminary contact hour rate based on information provided and estimated number of apprentices to be trained. TWC calculates the final contact hour rate, based on actual numbers of apprentices trained.

G. Identify all funding sources and amounts for the program or function, including federal grants and pass-through monies. Describe any funding formulas or funding conventions. For state funding sources, please specify (e.g., general revenue, appropriations rider, budget strategy, fees/dues).

In FY 2012, the Apprenticeship program was funded with State General Revenue, federal Temporary Assistance for Needy Families funds, Workforce Investment Act, and SNAP Employment and Training. Expenditures in FY2012 totaled \$2,729,134. This is referenced in LAR strategy 1.1.9 and 2.1.2 Technical Assistance.

H. Identify any programs, internal or external to your agency, that provide identical or similar services or functions to the target population. Describe the similarities and differences.

The Texas Higher Education Coordinating Board also funds Apprenticeship Programs registered with the Department of Labor – Office of Apprenticeship. State funds may be accessed from either the Texas Workforce Commission, under Chapter 133 or the Texas Higher Education Coordinating Board, **but not both.**

The apprenticeship training programs funded by TWC and THECB are interchangeable; however, TWC-funded programs require the collection and use of performance data which is reported to the Legislative Budget Board and the Texas Workforce Investment Council. The programs funded by THECB do not gather or report performance data.

I. Discuss how the program or function is coordinating its activities to avoid duplication or conflict with the other programs listed in Question H and with the agency's customers. If applicable, briefly discuss any memorandums of understanding (MOUs), interagency agreements, or interagency contracts.

Local Education Agencies administer both TWC and THECB funds. LEAs are required to sign an Assurance Form that includes a section acknowledging that they do not receive funds from both TWC and THECB.

J. If the program or function works with local, regional, or federal units of government, include a brief description of these entities and their relationship to the agency.

TWC works closely with the U.S, Department of Labor, Office of Apprenticeship (OA) in order to verify the registration of both apprenticeship training programs and their apprentices. OA has given TWC staff access to their Registered Apprenticeship Partners Information Data System (RAPIDS), which contains both training program and apprentice information. This allows TWC staff to view the registration information needed. OA staff is available if there are any question/issues discovered.

K. If contracted expenditures are made through this program please provide:

- a short summary of the general purpose of those contracts overall;
- the amount of those expenditures in fiscal year 2012;
- the number of contracts accounting for those expenditures;
- top five contracts by dollar amount, including contractor and purpose;
- the methods used to ensure accountability for funding and performance; and
- a short description of any current contracting problems.

Not applicable.

L. Provide information on any grants awarded by the program.

In FY12:

- 22 grants were issued (one was subsequently cancelled) with expenditures totaling \$2,729,134
- 3,819 apprentices were served

Local Education Agency	Total Contract Amount
Amarillo College	\$120,516
Blinn College	\$7,105
College of the Mainland	\$31,760
College Station ISD	\$31,054
Corpus Christi ISD – <i>contract cancelled</i>	\$22,428
Dallas Community College	\$215,122
Del Mar College	\$94,716
El Paso Community College	\$203,296
Hallsville ISD	\$4,235
Hooks ISD	\$27,651
Lamar State College - Orange	\$221,772
Leander ISD	\$129,864
Manor ISD	\$297,831
North East ISD	\$94,292
Northside ISD	\$551,442
Region 9 Education Svc Center	\$44,503
South Plains College	\$21,456
St Philip's College	\$3,972
South San Antonio ISD	\$151,037
Tarrant County College	\$344,295
TSTC - Harlingen	\$54,737
Waco ISD	\$35,916
Total	\$2,709,000
Instructor Training	Total Amount
Texas A&M - Corpus Christi	\$26,500

In 2012, the funding supported training in 28 occupations. The largest of the occupations was electricians with 2,292 apprentices, followed by plumber/pipefitters with 489 apprentices. These two occupations accounted for 2,781 or 73 percent of the total trained. Some of the other occupations supported were sheet metal workers, iron workers, carpentry, millwright, and telecommunications.

M. What statutory changes could be made to assist this program in performing its functions?

None

N. Provide any additional information needed to gain a preliminary understanding of the program or function.

Additional background on Instructor Training: TWC competitively procures an entity to provide free statewide apprentice instructor training to individuals who are experts in their fields (e.g., electricians, pipefitters, plumbers) for apprenticeship training programs registered with the U.S. Department of Labor – Office of Apprenticeship. Funding is provided from Texas Education Code, Chapter 133 General Revenue funds.

The training must be provided free statewide to apprentice instructors who train apprentices funded with Chapter 133 Apprenticeship Training Program Funds. This training must be offered in at least four to five statewide locations meeting the demands reflected in a needs assessment. These funds are intended to meet the demand of the needed training.

O. Regulatory programs relate to the licensing, registration, certification, or permitting of a person, business, or other entity. For each regulatory program, if applicable, describe:

- why the regulation is needed;
- the scope of, and procedures for, inspections or audits of regulated entities;
- follow-up activities conducted when non-compliance is identified;
- sanctions available to the agency to ensure compliance; and
- procedures for handling consumer/public complaints against regulated entities.

Not applicable.

P. For each regulatory program, if applicable, provide the following complaint information. The chart headings may be changed if needed to better reflect your agency's practices.

Not applicable.

A. Provide the following information at the beginning of each program description.

Name of Program or Function	Child Care Services
Location/Division	Workforce Development Division
Contact Name	Patricia Gonzalez
Actual Expenditures, FY 2012	\$501,500,236
Number of Actual FTEs as of June 1, 2013	46.3
Statutory Citation for Program	Texas Labor Code, §302.021 & §§302.004-302.006; Texas Human Resources Code, Chapter 44 & §31.0035; Texas Government Code, §2308.315-2308.318; 40 TAC Chapter 809; 42 USC §§601 et seq & §§9858 et seq; 45 CFR Part 98.

B. What is the objective of this program or function? Describe the major activities performed under this program.

The Texas Workforce Commission's (TWC) Child Care Services (CCS) program promotes long-term self-sufficiency by enabling parents to work or attend education or training activities. CCS also administers the Department of Family and Protective Service's day care program for children in protective services.

Subsidized Child Care Services

The program provides subsidized child care for:

- Parents receiving Temporary Assistance for Needy Families (TANF) and participating in Choices (Choices Child Care)
- Parents participating in Supplemental Nutrition Assistance Program (SNAP) Employment and Training services (SNAP E&T Child Care)
- TANF applicants who obtain employment prior to TANF certification (TANF Applicant Child Care)
- Former TANF recipients transitioning off of public assistance (Transitional Child Care)
- Low-income parents at-risk of becoming dependent upon public assistance (At-Risk Child Care)

TWC contracts with Local Workforce Development Boards (Boards) to design and manage the delivery of child care services that offer affordable, accessible, quality child care for low-income families.

Boards competitively procure contractors to:

- Conduct child care services eligibility determinations
- Authorize child care services for eligible providers chosen by the parent
- Authorize parent share of cost assessments
- Track and monitor child care attendance recorded by the parent
- Reimburse child care providers for services provided;
- Provide consumer education information to parents; and
- Deliver quality improvement activities.

Parents may choose any of the following provider options:

- Child care centers licensed by the Department of Family and Protective Services (DFPS)
- Child care homes licensed by DFPS
- Child care homes registered by DFPS
- Youth day camps licensed by the Texas Department of State Health Services
- Child care facilities operated and monitored by the U.S. military services
- A relative child care provider, who is listed as a Family Home by DFPS and is at least 18 years of age, and is, by marriage, blood relationship, or court decree the child's:
 - Grandparent
 - Great-grandparent
 - Aunt
 - Uncle
 - Sibling (if the sibling does not reside in the same household as the eligible child)

Parents may choose a relative listed with DFPS to care for a child in the child's home (in-home child care) for:

- A child with disabilities, and his or her siblings
- A child under 18 months of age, and his or her siblings
- A child of a teen parent
- Circumstances when the parent's work schedule requires evening, overnight, or weekend child care in which taking the child outside of the child's home would be disruptive to the child; or
- Circumstances in which the Board's child care contractor determines and documents that other child care provider arrangements are not available in the community.

Day Care Services for Children in Protective Services

TWC also administers DFPS-subsidized child care services for children receiving protective services from DFPS. TWC does not provide funding for this, but administers services through an Interagency Contract (IAC) on behalf of DFPS Child Protective Services (CPS).

Child Care Consumer Education and Quality Improvement Activities

CCS promotes parent choice in making decisions regarding child care options that best suit their family's needs.

CCS provides consumer education to parents on quality child care available in their community and promotes child care quality improvement through the Texas Rising Star (TRS) Program, which certifies child care providers that meet higher levels of quality beyond the minimum child care licensing standards. CCS also promote child care quality improvement through activities to promote inclusive child care for children with disabilities; to enhance professional development related to child health, safety, early learning and literacy.

TWC also enters into Interagency Contracts (IACs) with the following agencies for child care quality improvement activities:

- Texas Department of Family and Protective Services to:
 - License, register, certify and list day care facilities and homes
 - Monitor and follow up on all licensed, certified and registered facilities and homes for compliance with state standards/requirements
 - Investigate and follow-up on standards violations according to the requirements of the law and rules of DFPS

- Provide consumer education to parents and the public about the availability of care and choosing child care providers
 - Provide technical assistance in areas appropriate to the provision of child care services
 - Perform background checks on relatives wanting to provide subsidized child care
- Texas Education Agency to:
 - Fund the management of early childhood education partnership projects to facilitate increased participation in professional development by early childhood education professionals and encourage those professionals to seek additional education
 - Provide funds to child providers participating in the integrated school readiness models developed by the State Center for Early Childhood Development at the University of Texas Health Science Center at Houston
 - Texas Health and Human Services Commission (HHSC) to provide child care consumer information through the statewide 2-1-1 Information and Referral system

TWC contracts with the Langham-Parks Partnership for the editorial and graphic development, management, production, and distribution of the *Texas Child Care Quarterly*. The *Texas Child Care Quarterly* is a training journal for child care providers and early childhood education teachers. It gives information on how children develop and how teachers can help children grow and learn.

C. What evidence can you provide that shows the effectiveness and efficiency of this program or function? Provide a summary of key statistics and performance measures that best convey the effectiveness and efficiency of this function or program.

The Legislature establishes the following performance targets for TWC Child Care Services:

- Average number of children served per day (Choices—those receiving specialized government assistance through the Temporary Assistance for Needy Families (TANF) Choices program)
- Average number of children served per day (Non-Choices)

The Legislature also establishes the following efficiency performance targets for TWC Child Care Services:

- Average cost per day per child (Choices)
- Average cost per day per child (Non-Choices)

The following chart provides TWC's actual performance for 2004-2012:

Year	Average Children Served (Choices and Non-Choices)			Average Cost Per Child Per Day - Choices			Average Cost Per Child Per Day – Non- Choices		
	Target	Actual	% of Target	Target	Actual	% of Target	Target	Actual	% of Target
2004	112,001	111,201	100.72%	\$17.25	\$17.32	99.60%	\$13.36	\$13.48	99.11%
2005	116,740	111,872	104.35%	\$17.38	\$17.32	100.35%	\$13.26	\$13.48	98.37%
2006	115,909	113,748	101.90%	\$17.44	\$17.61	99.03%	\$13.22	\$13.70	96.50%
2007	123,798	112,872	109.68%	\$18.20	\$17.61	103.35%	\$13.77	\$13.70	100.51%
2008	115,060	116,465	98.79%	\$19.71	\$18.52	106.43%	\$14.63	\$14.40	101.60%
2009	114,580	113,864	100.63%	\$20.13	\$18.85	106.79%	\$15.04	\$14.66	102.59%
2010	112,599	110,765	101.66%	\$20.20	\$21.72	93.00%	\$15.30	\$15.70	97.45%
2011	111,779	110,845	100.84%	\$20.75	\$22.31	93.01%	\$15.59	\$16.12	96.71%
2012	110,572	110,845	99.75%	\$21.51	\$21.93	98.08%	\$16.34	\$16.09	101.55%

As required by Texas Labor Code, TWC conducts an evaluation of the effectiveness of child care services. The 2013 report contained the following employment and wage outcomes for parents receiving TWC child care services:

TANF Parents

For parents receiving both TANF and TWC-subsidized child care for 2009–2010:

- 65 percent found employment; and
- 61 percent maintained employment after one year.

Non-TANF Parents

For non-TANF parents receiving TWC-subsidized child care from 2009–2010, 83 percent maintained employment after one year. Parents receiving TWC-subsidized child care in 2009 experienced an average quarterly wage gain of three percent, while parents receiving TWC-subsidized child care in 2010 experienced an average quarterly wage gain of four percent after one year.

D. Describe any important history regarding this program not included in the general agency history section, including how the services or functions have changed from the original intent.

Relative Child Care Providers

Federal Child Care and Development Fund (CCDF) regulations at 45 CFR §98.41 allow states to exempt the following from health and safety requirements to provide subsidized child care:

An individual who is at least 18 years of age, and is, by marriage, blood relationship, or court decree, one of the following:

- The child's grandparent;
- The child's great-grandparent;
- The child's aunt;
- The child's uncle; or
- The child's sibling (if the sibling does not reside in the same household as the eligible child).

Relatives are also exempt from DFPS minimum child care licensing standards.

In 2007, in order to ensure public subsidies are paid to individuals without a criminal record or a history of child abuse, TWC amended Chapter 809 Child Care Services Rules to require relatives caring for TWC-subsidized children in the relative's home to pass a criminal and child abuse background check by listing with DFPS as a family home.

In 2009, TWC placed additional requirements on relative providers caring for children in the child's home. Child Care Services rules were amended to allow relative child care providers to care for a child in the child's home (in-home child care) only for the following:

- A child with disabilities as defined in §809.2(6), and his or her siblings;
- A child under 18 months of age, and his or her siblings;
- A child of a teen parent; and
- When the parent's work schedule requires evening, overnight, or weekend child care in which taking the child outside of the child's home would be disruptive to the child.

In 2011, TWC rules were amended to require all relative providers to be listed with DFPS. This was done after the passage of Senate Bill 76 (82nd Texas Legislature, Regular Session (2011)). The listing requirement was implemented to ensure the health and safety of children in relative care. Unlike other eligible providers, CCDF regulations exempt relative providers from health and safety requirements.

Providers Placed on Corrective or Adverse Action

In 2009, TWC rules were amended to set forth requirements for Boards when DFPS:

- places a provider on corrective action in either:
 - evaluation status; or
 - probationary status; or
- intends to take adverse action against a provider

The following table summarizes the required actions to be taken when a child care provider has been placed on corrective or adverse action with DFPS.

Status	Required Notification of Parents	Required to Stop New Enrollments	Required to Remove Currently Enrolled Children	Provider Eligible to Receive Enhanced Rates
Evaluation Status	Yes	No	No	No
Probationary Status	Yes	Yes	No	No
Adverse Action	Yes	Yes	Yes	No

These requirements were implemented to ensure that no CCDF subsidies are being paid to providers on adverse action.

Quality Child Care Consumer Information to Parents

Senate Bill 264 (82nd Texas Legislature, Regular Session (2011) added §2308.3171 to the Texas Government Code, requiring Boards to provide information to parents and the public on quality child care indicators for each licensed or registered child care provider in the local workforce development area (workforce area).

A “quality child care indicator” is defined as a:

- Texas Rising Star (TRS) certified provider
- Provider accredited by a nationally recognized accrediting organization approved by TWC
- Provider certified by the Kindergarten Ready System
- Provider participating in the Texas School Ready! project

In January 2012, TWC required Boards to provide information on child care providers that meet any of the quality child care indicators for each licensed or registered child care provider in their workforce area to parents applying for or receiving subsidized child care services, and to the public.

Child Care Attendance Automation (CCAA)

Prior to December 2009 there was no easily-verified method of recording attendance of subsidized child care services in Texas. Child care was tracked on paper forms that were maintained by child care service providers. These documents were then manually transcribed by Board contractor staff into the TWC child care case management system. This method of record-keeping lacked verification of authorization and it had no cost-effective way to reliably audit service delivery. The only option available for verifying the accuracy of these paper forms was to send monitoring personnel to each child care facility.

Beginning in December 2009, TWC implemented the Child Care Attendance Automation (CCAA) system. Unlike the earlier manual system, the CCAA system automatically maintains and confirms child care attendance. With CCAA, parents report daily attendance using a swipe card at Point of Service (POS) device at child care centers, or reporting attendance using an Interactive Voice Response (IVR) system at home-based providers.

The CCAA system is a real-time entry system, information regarding authorized care is transmitted from the TWIST database to the CCAA system when a benefit recipient's data is entered. This provides various benefits to all users.

TWIST Child Care

Prior to October 2011, child care data was collected and stored at each of the 28 Local Workforce Development Boards through the Child Care Service Delivery (CCSD) system. TWC collected selected child care data for reporting purposes through a query to each Board's CCSD and storing the data at TWC's data warehouse.

Beginning in October 2011, child care information was integrated into the statewide information systems for all of TWC's workforce programs – TWIST. TWIST provides a single data entry and central repository for customer information. The primary goal of consolidating child care data into TWIST is to improve the efficiency, effectiveness, quality and integration of service delivery and reporting.

E. Describe who or what this program or function affects. List any qualifications or eligibility requirements for persons or entities affected. Provide a statistical breakdown of persons or entities affected.

General Eligibility Requirements:

40 TAC §809.41 requires that the child meets one of the following age requirements:

- Be under 13 years of age; or
- At the option of the Board, be a child with disabilities under 19 years of age.

The child must reside with:

- A family whose income does not exceed the income limit established by the Board, which income limit must not exceed 85% of the state median income (SMI) for a family of the same size; and
- Parents who require child care in order to work or attend a job training or educational program.

The child must also be a U.S. citizen or legal immigrant as determined under applicable federal laws, regulations, and guidelines.

Child Care for Parents Participating in Choices:

Choices Child Care assists recipients of TANF to participate in work-related activities, through the Choices employment program, in order for them to secure employment. A parent is eligible for Choices Child Care if the parent is participating in the Choices program.

In fiscal year (FY) 2012, TWC funded subsidized child care for an average of 8,458 children per day of parents participating in Choices.

Child Care for Families at Risk of Becoming Dependent upon Public Assistance:

In FY 2012, TWC funded subsidized child care for an average of 102,114 children per day for families at risk of becoming dependent upon public assistance. Child Services are provided to the following at-risk families.

- SNAP E&T Child Care assists recipients SNAP to participate in employment and training activities.
- TANF Applicant Child Care provides subsidized child care to TANF applicants who are referred from Health and Human Services Commission (HHSC) to attend Workforce Orientation for Applicants (WOA), but obtain employment or have increased earning prior to TANF certification. To be eligible for TANF Applicant Child Care, the parent must not have voluntarily terminated paid employment of at least 25 hours a week within 30 days prior to receiving the referral from HHSC. TANF Applicant child care shall be provided for up to 12 months or until the family reaches the Board's income limit for eligibility for At-Risk Child Care.
- Transitional Child Care provides subsidized child care for people who have left public assistance. A parent is eligible for Transitional child care services if the parent meets the following requirements:
- Transitional Child Care can be available up to 12 months from the effective date of the TANF denial.
- At-Risk Child Care provides child care services to low income families in order to enter and remain in the workforce or participate in job training or education activities. A parent is eligible for child care services under this section if:
 - the family income does not exceed the 85 percent of the state median income (SMI) or a lower limit established by the Board; and
 - child care is required for the parent to work or attend a job training or educational program for a minimum of 25 hours per week for a single-parent family or 50 hours per week for a two-parent family, or a higher number of hours per week as established by the Board.

Foster and CPS Daycare

Foster and CPS Daycare is a child care program for children receiving or needing protective services. TWC does not provide funding for this, but administers services on behalf of DFPS. Child care will continue as long as authorized and funded by DFPS.

Priority for Child Care Services

Child care services are prioritized among the following three priority groups:

The first priority group is assured child care services and includes children of parents eligible for the following:

- Choices Child Care;
- TANF Applicant Child Care;
- SNAP E&T Child Care; and
- Transitional Child Care.

The second priority group is served subject to the availability of funds and includes, in the order of priority:

- Children in child protective services
- Children of a qualified veteran or qualified spouse
- Children of a foster youth
- Children of parents on military deployment whose parents are unable to enroll in military-funded child care assistance programs
- Children of teen parents
- Children with disabilities

The third priority group includes any other priority adopted by the Board.

Parent Share of Cost

Federal CCDF regulations and TWC rules require that parents are assessed a parent share of cost for child care services. The assessed parent share of cost must be a sliding fee scale based on the family's size and gross income. The parent share of cost may also take into consideration the number of children in care.

Federal CCDF regulations allow the parent share of cost to be waived for families below 100 percent of federal poverty guidelines and for caretakers of children receiving protective services. TWC waives the parent share of cost for the following:

- Parents who are participating in Choices;
- Parents who are participating in SNAP E&T services; and
- Parents who have children who are receiving protective services, unless DFPS assesses the parent share of cost

F. Describe how your program or function is administered. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures. Indicate how field/regional services are used, if applicable.

TWC provides administrative oversight, but does not directly administer child care services. TWC administers the program by:

- Developing policy for child care services (as set forth in TWC's Child Care Services rules in 40 TAC Chapter 809)
- Interpreting and implementing the requirements of state and federal statutes and regulations governing child care
- Providing technical assistance, allocating funds to Boards
- Establishing Board performance targets

TWC also accepts and certifies local match raised by the Boards, including:

- Private donated funds
- Public transferred funds
- Public certified expenditures

TWC contracts with each of the 28 Local Workforce Development Boards (Boards) to administer child care services and develop local policies for child care services.

The Boards competitively procure contractors to:

- Conduct child care services eligibility determinations
- Authorize child care services at eligible providers chosen by the parent
- Authorize parent share of cost assessments
- Track and monitor child care attendance recorded by the parent
- Reimburse child care providers for services provided
- Provide consumer education information to parents
- Deliver quality improvement activities

G. Identify all funding sources and amounts for the program or function, including federal grants and pass-through monies. Describe any funding formulas or funding conventions. For state funding sources, please specify (e.g., general revenue, appropriations rider, budget strategy, fees/dues).

Method of Finance (FY 2012 Expenditures):

Appropriated Receipts: \$1,098,387

General Revenue Maintenance of Effort for TANF: \$27,745,141

Federal Funds: \$440,092,891

General Revenue for CCDF: \$32,563,817

Child Care funds are referenced in the following FY 2012 LAR Strategies:

1.3.1. Strategy: TANF Choices Child Care: \$51,113,391

1.3.2. Strategy: Transitional Child Care: \$18,750,900

1.3.3. Strategy: At-Risk Child Care: \$425,833,582

1.3.4. Strategy: Child Care Administration: \$4,662,538

1.3.5. Strategy: Child Care – DFPS Families: \$39,521,214

Funds allocated to the local workforce development areas are governed by TWC rules as set forth in 40TAC, §800.58 <http://www.twc.state.tx.us/twcinfo/rules/ch800.pdf>.

Interagency Contracts (IAC) Required by TWC Riders:

- Rider 27 (Professional Development Partnerships for Early Childhood Education) required TWC to transfer via interagency contract \$1,000,000 in fiscal year 2012 and \$1,000,000 in fiscal year 2013 to TEA to fund the management of early childhood education partnerships projects.
- Rider 29 (School Readiness Models) required TWC to provide for each year of the 2012-13 state fiscal biennium not less than \$11,700,000 in each year, for the purpose of providing funds to child providers participating in the integrated school readiness models developed by the State Center for Early Childhood Development at the University of Texas Health Science Center at Houston. TWC enters into an IAC with TEA to administer these funds.

H. Identify any programs, internal or external to your agency, that provide identical or similar services or functions to the target population. Describe the similarities and differences.

Child Care Consumer Education Information:

Three state agencies—TWC (through Local Workforce Development Boards), DFPS and HHSC—are statutorily required to provide child care consumer education:

TWC - Section 2308.3171 of the Government Code requires Boards to post on the Board's web site a list of child care providers that serve subsidized children in the workforce area that have quality indicators. The quality indicators are providers that:

- Are TRS-certified
- Are nationally accredited (as recognized by TWC)
- Are School Readiness certified
- Are participating in the Texas School Ready Program
- Have attained other quality indicators (as recognized by TWC)

DFPS - Section 42.077 of the Human Resources Code requires DFPS to post on the agency's web site notices of actions taken against any licensed, registered or listed child care provider as well as other information regarding child care services.

HHSC – Section 531.03131 of the Government Code states that the Texas Information and Referral internet site (211Texas.org) established by HHSC shall provide information to the public regarding child care and education services provided by public or private entities in Texas.

DFPS is appropriated funds to provide child care services to children in protective services. DFPS contracts with TWC to coordinate the provision and payment of these services.

I. Discuss how the program or function is coordinating its activities to avoid duplication or conflict with the other programs listed in Question H and with the agency's customers. If applicable, briefly discuss any memorandums of understanding (MOUs), interagency agreements, or interagency contracts.

With regard to consumer information:

- TWC enters into an IAC with DFPS to provide consumer education to parents and the public about the availability of care and choosing child care providers.
- TWC also enters into an IAC with HHSC to provide child care consumer information through the statewide 2-1-1 Information and Referral system (211Texas.org).
- Boards provide parents the internet links to the consumer education information at DFPS and 2-1-1 during the child care application process. The links are also on Board web sites as well as TWC's web site.

With regard to DFPS-funded direct child care, as these funds are administered by TWC, we are able to ensure coordination in the administration of these funds, using the existing oversight and payment systems that are used for regular subsidized child care.

J. If the program or function works with local, regional, or federal units of government, include a brief description of these entities and their relationship to the agency.

CCDF funds are made available to TWC through the Office of Child Care within the Administration for Children and Families (ACF), U.S. Department of Health and Human Services. ACF allocates funds to TWC for the administration of the program, and approves a biennial State Plan.

K. If contracted expenditures are made through this program please provide:

- a short summary of the general purpose of those contracts overall;
- the amount of those expenditures in fiscal year 2012;
- the number of contracts accounting for those expenditures;
- top five contracts by dollar amount, including contractor and purpose;
- the methods used to ensure accountability for funding and performance; and
- a short description of any current contracting problems.

HHSC IAC for Child Care Information and Referral Services (211 Texas)

TWC contracts with HHSC to provide child care information and referral services across the state through 2-1-1 Texas by phone and Internet. The 2-1-1 Texas system-including the phone and web-based systems-is the single point of coordination for statewide information and referral. 2-1-1 Texas collects information from early education and care entities, makes it available to the public through the Internet, and allows the public to request early education and care program information, including information on TWC-subsidized child care, Head Start, and pre-K. In FY 2012, TWC expended \$1,000,000 through this IAC with HHSC.

Child Care Quarterly Magazine

TWC contracts with the Langham-Parks Partnership for the editorial and graphic development, management, production, and distribution of the *Texas Child Care Quarterly*. The *Texas Child Care Quarterly* is a training journal for child care providers and early childhood education teachers. It gives information on how children develop and how teachers can help children grow and learn. In FY 2012, a total of \$114,993 was expended through this contract.

Market Rate Survey

TWC contracts with the University of Texas, School of Social Work to conduct an annual child care market rate survey as required by CCDF regulations at 98.16(1). The Market Rate Survey collects market rates by each workforce area for licensed child care centers, licensed child care homes and registered child care homes. In FY 2012, TWC expended \$384,563 through this contract.

DFPS IAC for Background Checks for Relative Providers/Listed Family Homes

TWC contracts with DFPS to conduct criminal background checks, including checks against the DPS Sex Offender Registry, and checks against the child abuse registry for relatives caring for TWC-subsidized children. In FY 2012, a total of \$131,406 was expended through this IAC with DFPS.

Interpreter Services

In FY2012, a total of \$1,517 was contracted out to provide needed interpreter services customers.

L. Provide information on any grants awarded by the program.

In FY'12 TWC established Program Grant/Cooperative Agreements with 28 Boards. The purpose was to ensure that the Boards design systems, subcontracts, and structures supporting the provision of subsidized child care services that conform with 45 CFR Part 98 and 40 TAC, Chapter 809, and focus on providing SNAP recipients employment and training activities that will lead to long-term self-sufficiency.

TWC contracts with each of the 28 Boards to administer child care services.

TWC enters into an IAC with DFPS to conduct both scheduled and unannounced inspections of regulated facilities to ensure compliance with the state's regulatory standards. DFPS also provides technical assistance to new child care facilities and ongoing assistance to all regulated facilities to improve the quality of care. DFPS' child care web site contains information for parents regarding a child care facility's compliance with state licensing requirements. In FY 2012, TWC expended \$19,762,916 through this IAC with DFPS.

In FY 2012, a total of \$501,500,236 was expended through contracts with the Boards for child care services, and with DFPS for licensing oversight.

TWC has successfully crafted a monitoring and performance accountability system that works to maximize results for employers and job seekers using the workforce system. TWC regularly monitors performance results to assist Boards in meeting their performance goals and objectives. Performance accountability and monitoring represent continuing opportunities to bring optimal service to customers.

As a part of the Regulatory Integrity Division, the Performance, Analysis, and Reporting (PAR) department is responsible for all workforce reporting. PAR provides timely, accurate, understandable information and analyses relevant to the performance, accountability, and integrity of the Texas workforce system. PAR's reporting ensures TWC management has the information necessary to make policy decisions that will help the system meet or exceed performance expectations.

TWC continuously analyzes performance reports and compares actual performance with grant benchmarks. Categorical program data is gathered and relevant reports are generated by Boards and are made available on the TWC Website. A snapshot of each Board's performance data and other key indicators is accessible by state and local staff. Because other data, such as labor market information, is also made available, this data source may be used to develop strategies for system and performance improvement.

The Agency's Sub-Recipient Monitoring Unit, which is part of the Regulatory Integrity Division, develops risk assessments and monitors Boards' compliance with programmatic and financial requirements associated with TAA service provision. On site monitoring activities conducted by the Sub-Recipient Monitoring unit are designed to identify opportunities to enhance program performance and strengthen control systems. Formal reports are generated for each monitoring visit, and are used as a basis to formulate remedial action plans and technical assistance provision where necessary.

The Workforce Development Division director conducts monthly performance and expenditure reviews with the division's technical assistance and contract management staff. These reviews of each Board and other grantees ensure that timely corrective actions are taken. When performance indicates the need for training or technical assistance, TWC initiates both.

TWC Commissioners also conduct quarterly performance and expenditure meetings, available by audio webcast, to ensure that Boards are meeting their contractual performance obligations, and that programs administered by TWC are meeting performance expectations. Using performance measures to manage and monitor grants allows TWC to emphasize quality.

M. What statutory changes could be made to assist this program in performing its functions? Explain.

Please see the list of obsolete statutes recommended for removal section of the Major Issues portion of this document.

N. Provide any additional information needed to gain a preliminary understanding of the program or function.

None

O. Regulatory programs relate to the licensing, registration, certification, or permitting of a person, business, or other entity. For each regulatory program, if applicable, describe:

- **why the regulation is needed;**
- **the scope of, and procedures for, inspections or audits of regulated entities;**
- **follow-up activities conducted when non-compliance is identified;**
- **sanctions available to the agency to ensure compliance; and**
- **procedures for handling consumer/public complaints against regulated entities.**

Purpose of the Regulation:

TWC establishes guidelines for child care provider certification under the TRS Program pursuant to §2308.315 of the Government Code. Section 2308.315 of the Government Code requires TRS-certified providers to receive higher graduated reimbursement rates (currently at 5 percent over the non-TRS rate) for TWC-subsidized child care services.

A TRS Provider is a child care provider that has an agreement with a Board's child care contractor to serve TWC-subsidized children and that voluntarily meets requirements that exceed the State's Minimum Child Care Licensing (CCL) Standards. TRS Certification is available to Licensed Center, and Licensed and Registered Child Care Home providers who meet the certification criteria. The TRS Provider certification system offers three levels of certification for (two-star, three-star, and four-star) to encourage providers to attain progressively higher certification requirements leading to a Four-Star level.

Scope of Regulatory Activities

TWC establishes the criteria and guidelines for TRS Program certification. Local Workforce Development Boards administer the program including:

- Technical assistance to child care providers working to attain TRS Program certification;
- Assessments under the TRS Program certification guidelines; and
- Monitoring and recertification of TRS Program certified providers.

The TRS-certification guidelines contain the following criteria with measures that are above minimum CCL standards:

- (1) Licensing Compliance
- (2) Director Qualifications
- (3) Caregiver Staff Qualifications
- (4) Staff Orientation
- (5) Staff Training
- (6) Group Size
- (7) Curriculum/Activities
- (8) Caregiver-Child Interactions
- (9) Physical Environment
- (10) Health and Safety
- (11) Nutrition/Meal Time; and
- (12) Parental Involvement

TRS Program-certified facilities are recertified through an on-site visit at the following intervals:

- Four-star facilities: every three years
- Three-star facilities: every two years
- Two-star facilities: annually

Follow-Up Activities and Sanctions for Non-Compliance

To be and remain eligible for TRS Program certification, child care providers must not be on a DFPS CCL monitoring frequency of four months or less and must not be on any type of Corrective Action or Adverse Action by DFPS. TRS Program certification is automatically revoked for any provider placed on a 4-month or less monitoring frequency or placed on Corrective or Adverse Action by DFPS. Revocation of TRS Program certification results in discontinuation of the higher enhanced reimbursement rate for TRS providers.

At a provider's scheduled re-certification or on a more frequent schedule as determined by each Board, the Board contractor reviews the most recent 12-month DFPS CCL monitoring report and places the TRS provider on a 6-month Service Improvement Agreement (SIA) if the provider has received certain high-risk citations by DFPS or if the provider has received more than 9 total deficiencies.

Recent Legislation

House Bill 376 (HB 376), 83rd Texas Legislature, Regular Session (2013), amended §2308.315 to require that reimbursement rates for TRS-certified providers must be:

- at least five percent higher for a provider with a two-star rating;
- at least seven percent higher for a provider with a three-star rating; and
- at least nine percent higher for a provider with a four-star rating.

HB 376 requires that a TRS Work Group propose revisions to the TRS Program no later than May 1, 2014. HB 376 also requires that no later than September 1, 2014, TWC must propose rules to administer the TRS program that incorporate proposed revisions submitted by the TRS Work Group.

HB 376 also requires TWC to make funding available to Boards to hire necessary employees to provide technical assistance to TRS Program-certified providers and to child care providers seeking TRS Program certification.

P. For each regulatory program, if applicable, provide the following complaint information. The chart headings may be changed if needed to better reflect your agency's practices.

(Agency Name) (Regulatory Program Name) Exhibit 11: Information on Complaints Against Regulated Persons or Entities Fiscal Years 2011 and 2012		
	FY 2011	FY 2012
Total number of regulated persons	0	0
Total number of regulated entities	Not Available	1,791
Total number of entities inspected	Not Available	Not Available
Total number of complaints received from the public	Not Available	Not Available
Total number of complaints initiated by agency	Not Available	Not Available
Number of complaints pending from prior years	Not Available	Not Available
Number of complaints found to be non-jurisdictional	Not Available	Not Available
Number of jurisdictional complaints found to be without merit	Not Available	Not Available
Number of complaints resolved	Not Available	Not Available
Average number of days for complaint resolution	Not Available	Not Available
Complaints resulting in disciplinary action:	Not Available	Not Available
administrative penalty		
reprimand		
probation		
suspension		
revocation		
other		

A. Provide the following information at the beginning of each program description.

Name of Program or Function	Choices
Location/Division	Workforce Development Division
Contact Name	Patricia Gonzalez
Actual Expenditures, FY 2012	\$94,987,092
Number of Actual FTEs as of June 1, 2013	34.4
Statutory Citation for Program	Texas Human Resources Code, Chapters 31 & 34; 40 TAC Chapter 811; 42 USC §601 et seq.; 45 CFR Part 260.

B. What is the objective of this program or function? Describe the major activities performed under this program.

Funded through the Temporary Assistance for Needy Families (TANF) block grant, the Choices program provides job search and job readiness classes, basic skills training, education, vocational training, and support services to welfare recipients to help them become self-sufficient.

In addition to Choices services, the Boards have the flexibility to provide job retention services under Choices Plus. Services may include employment, training, transition, and retention resources that enable adult public assistance recipients to become self-sufficient.

In addition to the services provided under Choices and Choices Plus TWC funds special initiatives and projects that are allowed under the four purposes of TANF. These initiatives include:

- Services to Foster Youth;
- Noncustodial Parent Choices (NCP) program;
- After-School Robotics Initiative;
- Summer Merit Program for youth summer camps

Choices Programs

Once employed, individuals receive services that promote job retention and skills upgrades that assist them to continue moving up the economic ladder. The Deficit Reduction Act of 2005 (Public Law 109-171) reauthorized the TANF program and altered the level of documentation and verification of all reportable activities, particularly job search and job readiness. This level of documentation and verification placed a significant burden on Board staff and resources to manage verification requirements. Because of this burden, during 2012 and 2013 TWC proposed and adopted new program parameters and a state service delivery design to give Boards the flexibility to deliver services that assist Choices customers in entering employment quickly. The new parameters established performance measures that allowed Boards to concentrate resources on participation in unsubsidized employment, subsidized employment and on-the-job training". The Choices service delivery system has the following features:

- Workforce center orientation sessions and access to the information, resources, and services available through Texas Workforce Solutions Offices
- Employment planning and job readiness activities
- Individual and assisted job-search, job-placement, and job -development services

- Work-based activities such as subsidized employment, unpaid work skills training, on-the-job training, and self-employment assistance
- Education and training services as needed based on the needs of the labor market and the individual's skills, abilities, and experience
- Support services such as child care, transportation, and work-related expenses when needed by the client to work or participate
- Job retention and re-employment services
- Services to promote wage increases over time in local labor markets

Foster Youth Services

Since 2004, TWC has funded foster youth transition centers serving both current and former foster youth, ages 14-25 years. The goal of these transition centers is to address critical life barriers facing youth who have aged out, or are close to aging out of the foster care system. The centers are designed to provide foster youth access to education, employment and training services, life skills classes, mentoring opportunities, and appropriate support services through a comprehensive one-stop service delivery system approach. Youth in these centers also receive comprehensive case management services and financial support through the Texas Department of Family and Protective Services' Preparation for Adult Living program. Youth are provided a safe environment where they receive the necessary services to become self-sufficient. This initiative also focuses on assisting foster youth in accessing self-sufficiency training that is geared toward assisting them in becoming self-sufficient by advancing their skills, thus resulting in increased self-esteem and fostering success in transitioning into adulthood. This also enables foster youth to develop strong character and leadership skills, and furthers their education, training, and subsequent employment. In FY 2012, 14 transition centers were funded that served 2,135 foster youth.

Noncustodial Parents Choices Program

Initiated in August 2005, the Noncustodial Parent Choices Program (NCP) is a collaborative effort of the Commission, the Office of the Attorney General of Texas, and the IV-D courts. NCP Choices—currently operating in 17 local workforce development areas—targets low-income, unemployed or underemployed NCPs whose children are current or former recipients of public assistance. NCPs either participate in the program or are subject to jail time as directed by a local court. The program's goals are to help NCPs overcome substantial barriers to finding employment, thereby enabling them to become economically self-sufficient while also making consistent child support payments.

After School Robotics

TWC implemented its After-School Robotics Initiative in August 2010, which provides after-school robotics programs for youth. Outreach and recruitment is focused on, but not limited to, youth from diverse ethnic and socio-economic backgrounds, youth in rural areas, and youth on military bases. The initiative will help youth that normally do not pursue careers in science, technology, engineering, and mathematics gain math and science skills, self-confidence, problem-solving abilities, and team-building experience, while making new friends and developing other life skills. The Robotics Initiative is composed of two parts:

Tech Challenge—with a mentor and volunteers, teams of 10 high school students participate in after-school activities in which they design, build, and program a robot. The mentors and volunteers develop a strategy based on engineering principles, allowing the students to get real-world engineering experience and compete against other teams in regional and statewide competitions.

Robotics Competition—with volunteer professional mentors, teams of high school students participate in regional and statewide competitions. The students are responsible for designing and building a robot to compete against other teams, giving them an opportunity to apply math and science concepts in a competitive setting.

Summer Merit Program for Youth Summer Camps

The Summer Merit Program, a supervised youth initiative, provides scholarships to Texas middle school and high school students, ages 14-21, with the goal of increasing the number of underrepresented and disadvantaged students served in science, technology, engineering and math (STEM) skills-related summer camp programs. Beginning in FY2012 the program was funded with TANF funds. In FY 2012, awards were granted to 14 colleges and approximately 1,350 scholarships were awarded to students.

C. What evidence can you provide that shows the effectiveness and efficiency of this program or function? Provide a summary of key statistics and performance measures that best convey the effectiveness and efficiency of this function or program.

State fiscal year 2012 year-end report:

Measure	SFY 2012	SFY 2011	SFY 2010
TANF Customers Served	43,866	47,785	47,480
Avg Cost Per Customer Served	\$1,892.52	\$1,871.73	\$1,841.20
Entered Employment (state)	78.44%	78.10%	80.86%
Employment Retention (state)	80.22%	78.57%	76.81%

D. Describe any important history regarding this program not included in the general agency history section, including how the services or functions have changed from the original intent.

The Family Support Act of 1988 created the Job Opportunity and Basic Skills (JOBS) program. It provided Aid to Families with Dependent Children (AFDC) recipients with the education, training, and employment services needed to help them avoid long-term welfare dependency. At its inception, the Department of Human Services (DHS) administered the JOBS program. In its second year of operation DHS entered into an interagency agreement with the Texas Employment Commission for the delivery of job readiness and job placement services to recipients deemed work ready. DHS case managers coordinated services for recipients who required more intensive services. This agreement remained in effect until 1995 when H.B. 1863 authorized state welfare reform, consolidated workforce development programs, and created the Texas Workforce Commission. To implement the provisions of the law, Texas applied for and received a waiver of the federal AFDC and JOBS program requirements. Texas was one of 43 states granted waivers before the enactment of the federal welfare reform law.

Congress enacted federal welfare reform under Public Law 104-193, the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) the following year, creating Temporary Assistance for Needy Families (TANF). States that had welfare waivers were allowed to continue operating under their specific waiver provisions instead of the TANF requirements. Texas elected to operate under the waiver.

The waiver included such features as:

- A work first philosophy
- Personal responsibility agreements for welfare recipients
- Penalties for noncompliance with the personal responsibility agreement
- Time limits for the receipt of cash assistance that applied to the parent on the case
- Elimination of the work history requirements for two-parent families
- Saving accounts to promote transition from welfare
- Exemptions and good cause reasons for persons who could not participate
- Ability to select a one-time emergency cash assistance payment instead of ongoing benefits

Although the waiver expired in March 2002, many of the elements implemented under the waiver remained in the operation of the TANF employment and training program that was renamed “Choices”.

As required by H.B. 1863, the Choices program implemented a work-first policy and service delivery strategy. This strategy required most non-exempt welfare recipients to test their employability in the local labor market before entering training. In 1997, TWC changed the program providing maximum flexibility for Local Workforce Development Boards to set policies, service delivery practices, and procedures to meet the needs of the local communities and residents. The rules establish policies to ensure that all TANF recipients, as well as applicants for TANF, have the assistance and support necessary to find and retain employment.

The Deficit Reduction Act of 2005 (Public Law 109-171) reauthorized the Temporary Assistance for Needy Families (TANF) program and instituted several changes. One change dramatically altered the level of documentation and verification of all reportable activities, particularly job search and job readiness. The federal performance measure for TANF has always been process-driven, focusing on an individual’s number of participation hours in a countable activity. Under 45 CFR §261.10, a parent or caretaker receiving TANF benefits must engage in work when the state has determined that the individual is ready or after receipt of 24 months of TANF benefits. However, the section also allows states the flexibility to define what it means to engage in work, which can include participation in work activities as specified in §407 of the Social Security Act.

Between 2012 and 2013 TWC proposed new program parameters and a state service delivery design to give Boards the flexibility to design and deliver services that assist Choices customers in entering employment quickly by concentrating resources on the outcome-focused performance measures of entered employment, employment retention, and earnings gains.

Texas defines "engaged in work" for purposes of calculating a federal work participation rate to include a customer’s participation in:

- Unsubsidized employment
- Subsidized employment
- On-the-job training
- Educational services for Choices participants who are teen heads of household and have not completed secondary school or received a GED credential

Federal standards for the documentation/verification of participation hours is required these activities.

All other Choices services remain intact and available to use in assisting Choices customers with gaining employment. However, these services are not counted toward the work participation rate, and the federal standards for verification are not required. For purposes of determining program performance, Boards will have six weeks from the initial date of TANF certification in which to work with the individual before participation requirements are expected through unsubsidized employment, subsidized employment, on-the-job training, or educational services in the case of Choices candidates who are teen heads of household and have not completed secondary school or received a GED credential.

However, it should be noted that engagement of Choices customers begins with the Workforce Orientation for Applicants (WOA), which occurs prior to TANF certification. At the WOA, individuals have the opportunity to take advantage of Workforce Solutions Office resources. Boards will not be limited in the provision of other activities, such as job search. For example, if a customer requires job search for more than six weeks in a year, Boards will have the flexibility to provide such services, which will not be counted toward the federal participation requirements.

The intent of TWC's outcome-driven paradigm shift and strategy is to promote long-term employment and independence from public assistance, and focus on helping Choices participants gain and retain employment.

Although the number of families receiving cash assistance has declined dramatically in recent years, all TANF recipients eligible for Choices services, including both the mandatory and exempt populations, are actively outreached for Choices services. Some Boards take extra efforts to engage the exempt population by conducting home visits or design services to address the challenges faced by the exempt participants.

E. Describe who or what this program or function affects. List any qualifications or eligibility requirements for persons or entities affected. Provide a statistical breakdown of persons or entities affected.

The Texas Health and Human Services Commission (HHSC) is the administering agency for TANF cash assistance in Texas. HHSC determines eligibility and mandatory or exempt status, and electronically transmits this information to TWC's automated case management system known as The Workforce Information System of Texas (TWIST). Once the TANF recipient's information is electronically transmitted to TWIST, workforce center staff conducts outreach.

The Choices program serves applicants and recipients of cash assistance. The program provides employment and job retention services. In FY 2012, 48,088 people received Choices services.

Choices services are provided to single-parent families under Chapter 31 of the Human Resources Code. Two-parent families receive services through a state-funded program under Chapter 34 of the Human Resources Code. Choices services assist applicants, recipients, non-recipient parents, and former recipients of TANF cash assistance in preparing for, obtaining, and retaining employment.

All mandatory Choices participants who are outreached and/or who fail to comply with Choices work requirements are sanctioned by HHSC as follows:

- Before Workforce Solutions Office staff initiates a sanction, an attempt is made to determine whether good cause exists for the noncompliance
- If good cause is not established, a penalty is initiated within seven days of noncompliance
- HHSC works the penalty within five workdays after receiving notice of Choices noncooperation
- If the Choices participant fails to participate for two consecutive months TANF benefits are denied and the Choices participant must reapply and demonstrate cooperation in the Choices program for 30 days to have TANF benefits restored

Noncustodial parents who are unemployed or underemployed receive services through the NCP Choices program. In FY 2012, 3,777 NCPs received NCP Choices services.

F. Describe how your program or function is administered. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures. Indicate how field/regional services are used, if applicable.

TWC is the state-level administering agency for integrated workforce services which includes Choices, and is part of a statewide network dedicated to developing the workforce system in Texas. The network is composed of the statewide efforts of TWC coupled with planning and service provision on a regional level by 28 Local Workforce Development Boards.

TWC provides administrative oversight, but does not directly administer Choices services. TWC administers the program by:

- Developing policy for Choices services (as set forth in TWC’s Child Care Services rules in 40 TAC Chapter 811)
- Interpreting and implementing the requirements of state and federal statutes and regulations governing child care
- Providing technical assistance, allocating funds to Boards
- Establishing Board performance targets

TWC contracts with each of the 28 Boards to administer Choices services. The Board competitively procures contractors who employ Workforce Solutions staff. Workforce Solutions staff provides services to Choices customers.

Referrals of welfare applicants and recipients are received through an automated interface with the Health and Human Services Commission. Workforce Solutions staff contact clients based on this information.

G. Identify all funding sources and amounts for the program or function, including federal grants and pass-through monies. Describe any funding formulas or funding conventions. For state funding sources, please specify (e.g., general revenue, appropriations rider, budget strategy, fees/dues).

The Choices program is funded with federal Temporary Assistance for Needy Families funds referenced in 2012 LAR Strategy 1.1.3 and 2.1.2 Technical Assistance. Expenditures in FY2012 totaled \$94,987,092.

Funds allocated to the local workforce development areas are governed by TWC rules as set forth in 40TAC, §800.53 <http://www.twc.state.tx.us/twcinfo/rules/ch800.pdf>.

H. Identify any programs, internal or external to your agency, that provide identical or similar services or functions to the target population. Describe the similarities and differences.

Integrated services, including those under the Workforce Investment Act (WIA); Choices, the Temporary Assistance for Needy Families (TANF) employment program; and others provide job seekers (including those receiving TANF benefits) with a variety of work activities that lead to permanent, unsubsidized employment. TANF recipients can be co-enrolled in both TANF/Choices and WIA simultaneously in accordance with an employment plan.

I. Discuss how the program or function is coordinating its activities to avoid duplication or conflict with the other programs listed in Question H and with the agency’s customers. If applicable, briefly discuss any memorandums of understanding (MOUs), interagency agreements, or interagency contracts.

Not Applicable

J. If the program or function works with local, regional, or federal units of government, include a brief description of these entities and their relationship to the agency.

The U.S. Department of Health and Human Services, Administration for Children and Families administers the TANF Block Grant which funds the Choices program.

K. If contracted expenditures are made through this program please provide:

- a short summary of the general purpose of those contracts overall;
- the amount of those expenditures in fiscal year 2012;
- the number of contracts accounting for those expenditures;
- top five contracts by dollar amount, including contractor and purpose;
- the methods used to ensure accountability for funding and performance; and
- a short description of any current contracting problems.

Not applicable.

L. Provide information on any grants awarded by the program.

In FY'12 TWC established Program Grant/Cooperative Agreements with 28 Boards. The purpose was to ensure that the Boards design systems, subcontracts and structures that support the goal of Choices services which is to end the dependence of needy parents on public assistance by promoting job preparation, work, and marriage through provision of the services described in 40 Texas Administration Code (TAC) Chapter 811 and 45 Code of Federal Regulations (C.F.R.) Parts 260-265.

TWC contracts with each of the 28 Boards to administer Choices services. The amount of Choices expenditures in FY 2012 was \$94,987,092.

TWC has successfully crafted a monitoring and performance accountability system that works to maximize results for employers and job seekers using the workforce system. TWC regularly monitors performance results to assist Boards in meeting their performance goals and objectives. Performance accountability and monitoring represent continuing opportunities to bring optimal service to customers.

As a part of the Regulatory Integrity Division, the Performance, Analysis, and Reporting (PAR) department is responsible for all workforce reporting. PAR provides timely, accurate, understandable information and analyses relevant to the performance, accountability, and integrity of the Texas workforce system. PAR's reporting ensures TWC management has the information necessary to make policy decisions that will help the system meet or exceed performance expectations.

TWC continuously analyzes performance reports and compares actual performance with grant benchmarks. Categorical program data is gathered and relevant reports are generated by Boards and are made available on the TWC Website. A snapshot of each Board's performance data and other key indicators is accessible by state and local staff. Because other data, such as labor market information, is also made available, this data source may be used to develop strategies for system and performance improvement.

The Agency's Sub-Recipient Monitoring Unit, which is part of the Regulatory Integrity Division, develops risk assessments and monitors Boards' compliance with programmatic and financial requirements associated with Choices service provision. On site monitoring activities conducted by the

Sub-Recipient Monitoring unit are designed to identify opportunities to enhance program performance and strengthen control systems. Formal reports are generated for each monitoring visit, and are used as a basis to formulate remedial action plans and technical assistance provision where necessary.

The Workforce Development Division director conducts monthly performance and expenditure reviews with the division's technical assistance and contract management staff. These reviews of each Board and other grantees ensure that timely corrective actions are taken. When performance indicates the need for training or technical assistance, TWC initiates both.

TWC Commissioners also conduct quarterly performance and expenditure meetings, available by audio webcast, to ensure that Boards are meeting their contractual performance obligations, and that programs administered by TWC are meeting performance expectations. Using performance measures to manage and monitor grants allows TWC to emphasize quality.

M. What statutory changes could be made to assist this program in performing its functions? Explain.

Please see the list of obsolete statutes recommended for removal section of the Major Issues portion of this document.

N. Provide any additional information needed to gain a preliminary understanding of the program or function.

Not applicable.

O. Regulatory programs relate to the licensing, registration, certification, or permitting of a person, business, or other entity. For each regulatory program, if applicable, describe:

- why the regulation is needed;
- the scope of, and procedures for, inspections or audits of regulated entities;
- follow-up activities conducted when non-compliance is identified;
- sanctions available to the agency to ensure compliance; and
- procedures for handling consumer/public complaints against regulated entities.

Not applicable.

P. For each regulatory program, if applicable, provide the following complaint information. The chart headings may be changed if needed to better reflect your agency's practices.

Not applicable.

A. Provide the following information at the beginning of each program description.

Name of Program or Function	Child Care for Child Protective Services
Location/Division	Workforce Development Division
Contact Name	Patricia Gonzalez
Actual Expenditures, FY 2012	\$39,521,214
Number of Actual FTEs as of June 1, 2013	NA
Statutory Citation for Program	General Appropriations Act, Strategy A.3.5.

B. What is the objective of this program or function? Describe the major activities performed under this program.

TWC, through each of the Local Workforce Development Boards (Boards), administers subsidized child care services for children receiving protective services from the Department of Family and Protective Services (DFPS). TWC does not provide funding for this, but administers services on behalf of DFPS Child Protective Services (CPS) through an Interagency Contract (IAC) with DFPS CPS.

C. What evidence can you provide that shows the effectiveness and efficiency of this program or function? Provide a summary of key statistics and performance measures that best convey the effectiveness and efficiency of this function or program.

Not applicable

D. Describe any important history regarding this program not included in the general agency history section, including how the services or functions have changed from the original intent.

Not applicable.

E. Describe who or what this program or function affects. List any qualifications or eligibility requirements for persons or entities affected. Provide a statistical breakdown of persons or entities affected.

Foster and CPS Daycare is a child care program for children receiving or needing protective services. TWC does not provide funding for this, but administers services on behalf of DFPS. Child care will continue as long as authorized and funded by DFPS.

F. Describe how your program or function is administered. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures. Indicate how field/regional services are used, if applicable.

DFPS Child Protective Services determines eligibility for CPS Daycare services. Once eligibility is determined, CPS authorizes the day care services and submits the authorization to the Board contractor for child care services. The Board child care contractor makes the referral to the provider chosen either by the parent or caretaker of the child, or by the CPS case worker or day care coordinator.

The Board child care contractor reimburses the child care provider based on attendance reported through the Child Care Attendance Automation system.

G. Identify all funding sources and amounts for the program or function, including federal grants and pass-through monies. Describe any funding formulas or funding conventions. For state funding sources, please specify (e.g., general revenue, appropriations rider, budget strategy, fees/dues).

DFPS Child Care is funded with federal Child Care and Development Block Grant Funds and State General Revenue referenced in 2012 LAR Strategy A.3.5. Expenditures in FY2012 totaled \$39,521,214

H. Identify any programs, internal or external to your agency, that provide identical or similar services or functions to the target population. Describe the similarities and differences.

TWC administers subsidized child care services for Choices and Low-Income families. DFPS funds the same services for children in protective custody. DFPS contracts with TWC to coordinate the provision of payment of these services.

I. Discuss how the program or function is coordinating its activities to avoid duplication or conflict with the other programs listed in Question H and with the agency's customers. If applicable, briefly discuss any memorandums of understanding (MOUs), interagency agreements, or interagency contracts.

TWC is able to ensure coordination in the administration of funds for subsidized child care, using the existing oversight and payment systems that are used for regular CCDF subsidized child care.

J. If the program or function works with local, regional, or federal units of government, include a brief description of these entities and their relationship to the agency.

Board child care contractors work directly with local CPS regional offices and regional day care coordinators.

K. If contracted expenditures are made through this program please provide:

- a short summary of the general purpose of those contracts overall;
- the amount of those expenditures in fiscal year 2012;
- the number of contracts accounting for those expenditures;
- top five contracts by dollar amount, including contractor and purpose;
- the methods used to ensure accountability for funding and performance; and
- a short description of any current contracting problems.

Not applicable.

L. Provide information on any grants awarded by the program.

TWC contracts with each of the 28 Boards to administer DFPS funded child care services. In FY 2012, a total of \$39,521,214 was expended through contracts with the Boards for DFPS child care services.

M. What statutory changes could be made to assist this program in performing its functions? Explain.

Please see the Major Issues portion of this document.

N. Provide any additional information needed to gain a preliminary understanding of the program or function.

Not applicable.

- O. Regulatory programs relate to the licensing, registration, certification, or permitting of a person, business, or other entity. For each regulatory program, if applicable, describe:**
- why the regulation is needed;
 - the scope of, and procedures for, inspections or audits of regulated entities;
 - follow-up activities conducted when non-compliance is identified;
 - sanctions available to the agency to ensure compliance; and
 - procedures for handling consumer/public complaints against regulated entities.

None.

P. For each regulatory program, if applicable, provide the following complaint information. The chart headings may be changed if needed to better reflect your agency's practices.

Not applicable.

A. Provide the following information at the beginning of each program description.

Name of Program or Function	Career Schools and Colleges
Location/Division	Workforce Development Division
Contact Name	Catherine Bingle
Actual Expenditures, FY 2012	\$822,294
Number of Actual FTEs as of June 1, 2013	14.00
Statutory Citation for Program	Texas Labor Code, §302.021; Texas Education Code, Chapter 132; 40, TAC Chapter 807; 20 USC §§2301 et seq.

B. What is the objective of this program or function? Describe the major activities performed under this program.

The Career Schools and Colleges (CSC) department licenses and regulates most private postsecondary career schools that offer vocational training or continuing education. The department consists of the staff located at TWC's headquarters and Integrated Service Area Management staff located throughout the state.

The CSC program's objective is to provide consumer protection and to ensure the quality of education in regulated schools. To accomplish this, the program:

- Licenses only those schools in compliance with the legal requirements
- Denies or revokes licenses of those schools found to be in violation of the legal requirements
- Issues exemptions from licensure for businesses that qualify;
- Reviews and approves courses of instruction and key school staff;
- Conducts on-site school visits as required;
- Investigates student complaints and unlicensed schools;
- Monitors student outcomes and enforces performance requirements;
- Takes enforcement actions in response to violations and handles appeals;
- Collects and publishes data on regulated schools;
- Provides technical assistance to schools, students, and the public; and
- Monitors school closures and administers the Tuition Trust Account.

A Tuition Trust Account (TTA) has been established to help reimburse students for refunds due in the event that a closed school did not complete the training of enrolled students or did not pay refunds already due. The TTA also reimburses other schools for direct, additional expenses incurred in providing a "teach-out" for the closed school's students, when this can be arranged.

C. What evidence can you provide that shows the effectiveness and efficiency of this program or function? Provide a summary of key statistics and performance measures that best convey the effectiveness and efficiency of this function or program.

In Fiscal Year 2012:

- 532 schools held licenses (Legislative Budget Board measure)
- 179,376 students were enrolled in licensed career schools and colleges statewide
- 163,169 students were enrolled in vocational programs, with 66% of graduates reported as employed in the occupational field for which they were trained.
- The CSC program:
 - Licensed 53 new schools and processed 55 school closures
 - Handled 115 requests for exemption from licensure
 - Investigated 20 tips on suspected unlicensed schools
 - Investigated 105 complaints against career schools
 - Conducted 613 on-site visits to schools
 - Processed applications for over 2,800 school staff
 - Processed applications for 619 new and 468 revised courses of instruction
 - Processed 780 school catalog and enrollment material revisions
 - Processed 34 changes of school ownership or name
 - Processed 70 changes of school name or address

D. Describe any important history regarding this program not included in the general agency history section, including how the services or functions have changed from the original intent.

Career schools and colleges may offer degree programs approved by the Texas Higher Education Coordinating Board (THECB). Until April 2008, the THECB approved each degree program under a Certificate of Authority, and about 45 degree (associate degree) programs were approved. This number had remained stable for years. In April 2008, the THECB began recognizing national accreditors, which are largely the accreditors of career schools and colleges. The THECB began to approve career schools and colleges to offer degrees up to and including bachelor's degrees. There are now 101 career schools offering 111 associate degrees and 22 baccalaureate degrees.

E. Describe who or what this program or function affects. List any qualifications or eligibility requirements for persons or entities affected. Provide a statistical breakdown of persons or entities affected.

The CSC program works directly with businesses providing training and education that meet the provisions of the statutory career school and college definition and students attending those schools. In recent years, over 160,000 students have enrolled in vocational programs and over 15,000 students in seminars in schools regulated by the Commission. The number enrolled in vocational programs has doubled since 2000, as the number of regulated schools has increased from 337 to 532.

F. Describe how your program or function is administered. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures. Indicate how field/regional services are used, if applicable.

The CSC Department, within the Workforce Development Division, administers the CSC program. The administration of the program is a partnership of staff at the headquarters and Integrated Service Area Management (ISAM) staff, located in seven offices throughout the state.

- Headquarters staff receives and processes applications submitted by career schools and colleges, monitors reported performance of schools, coordinates enforcement actions with the Regulatory Integrity Division, and provides technical assistance to both schools and students.
- ISAM staff conducts on-site visits and other fieldwork, as well handling complaint investigations.

G. Identify all funding sources and amounts for the program or function, including federal grants and pass-through monies. Describe any funding formulas or funding conventions. For state funding sources, please specify (e.g., general revenue, appropriations rider, budget strategy, fees/dues).

The CSC program is funded with State General Revenue referenced in 2012 LAR Strategy 2.1.4 and 2.12 Technical Assistance. Expenditures in FY2012 totaled \$822,294.

Fees collected from the regulated schools fund the program. The agency deposits all collected fees into the state's General Revenue Fund. The Legislature appropriates a portion of the fee income to administer the program.

New TWC Rider 29, General Appropriations Act for FY 2014-2015, 83rd Legislature, provides for contingent revenue for CSC regulation. Any amounts generated through the regulation of career schools and colleges in excess of \$1,783,000 in FY 2014 and \$1,762,000 in FY 2015, not to exceed \$208,000 in either year, shall be used for enhancing the regulation of career schools and colleges. No additional revenue is available in any year in which the Commission approves an increase in the annual renewal fee.

The TTA was created in 2003 and replaced the Tuition Protection Fund. The TTA balance may not exceed \$1M (the balance is an accrued balance - the cash balance less the sum of the accrued liabilities from unpaid refunds and teach-out claims). Funding for the TTA is not included in TWC's appropriations. There are three sources of funding to the TTA:

- Any balance of assessed penalties for late refunds after repayment of a student's (1) balance of principal and interest for a student loan and (2) any amounts paid directly by the student;
- If collected fees exceed the expenses of administration of career schools, any excess may be transferred by the Commission; and
- Annual fees collected from regulated career schools and colleges (not to exceed 0.2 % of gross tuition and fees charged in that year, less refunds), if necessary.

H. Identify any programs, internal or external to your agency, that provide identical or similar services or functions to the target population. Describe the similarities and differences.

TWC's Workforce Investment Act/Eligible Training Provider and Trade Adjustment Assistance programs provide funding for eligible students to attend training, including that offered by career schools and colleges. In order to be eligible to receive funding through those programs, training providers must be in compliance with requirements to legally operate.

The Texas Higher Education Coordinating Board (THECB) approves degree programs in Texas. For career schools and colleges with degree programs, THECB provides degree-granting authority or approves degrees and TWC approves the school.

The Texas Veterans Commission (TVC) Veterans Education program approves programs for which qualified veterans and dependents may use their GI Bill education benefits. Some career schools and colleges have programs approved by TVC. In this case, TVC requires compliance with CSC requirements and as well as the requirements of TVC.

TWC coordinates with a number of state agencies to regulate career schools and colleges that offer specialized types of training. Licensed career schools and colleges provide training in the following areas where the expertise of other agencies is necessary to ensure that the requirements for licensure or certification are met:

- Texas Board of Nursing: Professional Nursing programs,
- Department of Aging and Disability Services: Medication Aide, Nurse Aide programs,
- Texas Board of Dental Examiners: Dental Assisting programs, and
- Department of State Health Services: Laser Hair Removal and Limited Radiologic Technician programs.

Various other state agencies such as the Department of Licensing and Regulation (DLR) also regulate specialized types of career schools. There is no overlap in services because schools approved and regulated by another agency are exempt by law from TWC regulation.

I. Discuss how the program or function is coordinating its activities to avoid duplication or conflict with the other programs listed in Question H and with the agency's customers. If applicable, briefly discuss any memorandums of understanding (MOUs), interagency agreements, or interagency contracts.

As mentioned above, several other agencies depend on TWC for the legal approval of the career school or college to operate, and have additional requirements necessary for the programs that they regulate. TWC and other agencies with responsibilities for the regulation of career schools or the programs provided coordinate closely to define the responsibilities of each agency. The coordination between agencies and defined steps to be taken is communicated to schools that must work with multiple agencies to gain approval for the programs to be offered.

Texas Education Code, Section 132.023, requires TWC, in consultation with the Texas Guaranteed Student Loan Corporation (TGSLC) and state agencies that regulate career schools and colleges, to develop a comprehensive strategy to reduce default rates at career schools and colleges and to improve the overall quality of the programs operated by these schools and colleges. TWC currently has an MOU with THECB, TGSLC and the Texas Department of Licensing and Regulation.

J. If the program or function works with local, regional, or federal units of government, include a brief description of these entities and their relationship to the agency.

The U.S. Department of Education (ED) oversees Title IV funds in schools authorized to participate in the Title IV program. Title IV is a form of federal student financial aid. In general terms, a school must have a Certificate of Approval (issued by TWC), operate for two years, and become accredited by an accrediting agency recognized by ED before it can apply for the right to participate in the Title IV program. TWC has no jurisdiction for or involvement in the administration of federal financial aid; however, ED consults with TWC on questions of state authorization of schools that are or may become Title IV schools. Additionally, TWC and ED share information with one another in the course of developing corrective actions to understand the impact of corrective actions on students at the career schools.

K. If contracted expenditures are made through this program please provide:

- a short summary of the general purpose of those contracts overall;
- the amount of those expenditures in fiscal year 2012;
- the number of contracts accounting for those expenditures;
- top five contracts by dollar amount, including contractor and purpose;
- the methods used to ensure accountability for funding and performance; and
- a short description of any current contracting problems.

In FY2012, a total of \$698 was contracted out to provide needed interpreter services customers. One administrative hearing involving a career school required interpreter services.

L. Provide information on any grants awarded by the program.

Not applicable.

M. What statutory changes could be made to assist this program in performing its functions? Explain.

See Major Issues section in this document.

N. Provide any additional information needed to gain a preliminary understanding of the program or function.

Not applicable.

O. Regulatory programs relate to the licensing, registration, certification, or permitting of a person, business, or other entity. For each regulatory program, if applicable, describe:

- **why the regulation is needed;**
- **the scope of, and procedures for, inspections or audits of regulated entities;**
- **follow-up activities conducted when non-compliance is identified;**
- **sanctions available to the agency to ensure compliance; and**
- **procedures for handling consumer/public complaints against regulated entities.**

- Purpose for regulation: ensure that schools are providing training that prepares students to successfully enter employment in the field of training and provide some protection to students if a school closes without fulfilling the training for which payment has been made.
- On-site inspections are conducted at all regulated career schools and colleges before initial licensure. A technical assistance visit occurs 90 days after the school is licensed and begins operation. Thereafter, announced and unannounced visits are conducted annually. Additional visits may occur if needed to investigate complaints or other concerns. A visit is also conducted when a school closes.

Initial, 90 day, annual and closure visits are conducted using a standard protocol of items and method of review. On occasion, TWC may conduct a visit in conjunction with a co-regulating agency.

- Follow up actions including sanctions when institutions meeting the definition of a career school or college are found to be non-compliant with the legal and regulatory requirements include the following:
 - Orders to cease and desist operation if operating without approval and non-responsive to direction;
 - Corrective action when compliance deficiencies are identified as a result of site visits, complaint or other investigations, or failure to maintain approvals necessary to retain licensure;
 - Refund orders when student complaints are substantiated with findings of particular violations;
 - Financial penalties for certain violations;
 - Revocation of program approvals when not meeting employment rate requirements;
 - Denial or revocation of licenses for schools that engage in serious violations or continue to fail to comply with requirements when directed to do so.
- The full range of sanctions is delineated in TAC, Sections 807.351-353.

All matters requiring correction have standard deadlines for resolution with adequate notices and opportunities to comply. Actions to deny or revoke licenses are initiated only after failure to comply despite ample opportunities to do so. Financial penalties and revocations or denials of licensure or program approvals may be appealed to an administrative hearings process.

- The complaint process is addressed in TAC, Sections 807.301 & 302. When a written complaint is received, it is reviewed to determine if it is jurisdictional and feasible to investigate. If it is determined to be so, the complaint is forwarded to the appropriate ISAM for field investigation. The protocol for investigation involves standard correspondence with the complainant and the school, collection of information and documentation, and issuance of a decision with direction for refund or other action as appropriate. The progress and final decision of the complaint is documented in permanent complaint files.

P. For each regulatory program, if applicable, provide the following complaint information. The chart headings may be changed if needed to better reflect your agency's practices.

Texas Workforce Commission		
Career Schools and Colleges Exhibit 11: Information on Complaints Against Regulated Persons or Entities		
Fiscal Years 2011 and 2012		
	FY 2011	FY 2012
Total number of staff applications processed	2,182	3,002
Total number of licensed career schools and colleges	534	532
Total number of on-site visits	653	613
Total number of complaints received from the public	127	133
Number of complaints pending from prior years	0	0
Number of complaints resolved	99	110
Number of complaints found to be jurisdictional	95	106
Number of complaints found to be non-jurisdictional	4	4
Number of complaints found to be indeterminable (outside of accepted timeframe; anonymous)	0	8
Number of complaints withdrawn	12	7
Number of jurisdictional complaints substantiated	30	22
Number of jurisdictional complaints unsubstantiated	53	69
Average number of days for complaint resolution	34	58

A. Provide the following information at the beginning of each program description.

Name of Program or Function	Employment Services
Location/Division	Workforce Development Division
Contact Name	Debbie Carlson
Actual Expenditures, FY 2012	\$50,052,286
Number of Actual FTEs as of June 1, 2013	854.1
Statutory Citation for Program	Texas Labor Code, §302.021 & Chapter 307; 40 TAC Chapter 843; 29 USC §49 et seq.; Workforce Investment Act of 1998 as amended, 29 USC §2801 et seq.; 42 USC §502 & §1101; 20 CFR Part 652.

B. What is the objective of this program or function? Describe the major activities performed under this program.

The Wagner-Peyser funded Employment Service (ES) program provides comprehensive recruiting, job search, and related services to businesses and job seekers to connect employers seeking workers and individuals seeking employment. ES coordinates job openings between states and administers the unemployment insurance (UI) work test to verify that individuals receiving UI benefits are registered for work and are actively seeking employment.

ES provides a variety of employment-related services for employers, job seekers, including unemployment benefits claimants, including:

- Recruitment services for employers with job openings
- Job search assistance, job referral, and placement assistance for job seekers

TWC's online job matching system, WorkInTexas.com, helps employers and job seekers connect electronically. Employers and job seekers can register for work online, browse for jobs or job seekers, and request matches against job postings and job seeker registrations. On average, WorkInTexas.com has approximately 120,000 available job listings daily and contains more than 500,000 résumés of job seekers actively looking for employment at any given time. Over two million jobs posted on the WorkInTexas.com site have been filled since its launch.

Wagner-Peyser-funded ES staff, located in the Workforce Solutions Offices, provide services to all customers, including the provision of specialized services to Migrant Seasonal Farm Workers (MSFW), veterans, unemployment The Wagner-Peyser-funded Employment Service (ES) program provides comprehensive recruiting, job search, and related services to businesses and job seekers to connect employers seeking workers and individuals seeking employment. ES coordinates job openings between states and administers the unemployment insurance (UI) work test to verify that individuals receiving UI benefits are registered for work and are actively seeking employment.

ES provides a variety of employment-related services for employers, job seekers, including unemployment benefits claimants, including:

- Recruitment services for employers with job openings
- Job search assistance, job referral, and placement assistance for job seekers

TWC’s online job matching system, WorkInTexas.com, helps employers and job seekers connect electronically. Employers and job seekers can register for work online, browse for jobs or job seekers, and request matches against job postings and job seeker registrations. On average, WorkInTexas.com has approximately insurance claimants, foster youth, long-term unemployed, ex-offenders, and older workers. ES staff also performs the work test requirements of the state unemployment compensation system, provide a system for satisfying employers’ requests to fill vacancies between the states, and promote a safer agricultural workplace.

Federal regulations require a full time staff member at the state, regional, and federal levels to ensure that equal services are provided to MSFWs. As a result, the agency maintains a full-time Monitor Advocate. The Monitor Advocate, who functions independently from, yet in cooperation with ES, is the agency’s self-monitoring system for services to MSFWs. The federal regulations require that Workforce Solutions Offices or any other site where workforce services are delivered should ensure that MSFWs receive services that are qualitatively equivalent and quantitatively proportionate to services provided to non-MSFWs.

C. What evidence can you provide that shows the effectiveness and efficiency of this program or function? Provide a summary of key statistics and performance measures that best convey the effectiveness and efficiency of this function or program.

The following charts reflect the June to July Program Year (PY)’10, PY’11, and PY’12 year-end performance data for ES customers regarding entered employment, and the reemployment of claimants:

Program/Measure	PY’10 Performance	PY’11 Performance	PY’12 Performance
Entered Employment (state)	71.90%	66.88%	68.89%
Reemployment of Claimants within 10 weeks	45.98%	50.96%	53.42%

D. Describe any important history regarding this program not included in the general agency history section, including how the services or functions have changed from the original intent.

In 2003, TWC restructured the oversight and responsibility for ES state merit staff. Under the “Texas Model” TWC devolved responsibility for the day-to-day direction and oversight of ES staff from the state to the Boards and their workforce service contractors. This was done in an effort to better support an integrated workforce system. Because many of the services provided by ES and WIA are similar, the Texas Model affords Boards and their contractors with the opportunity to design integrated services, regardless of the program from which they are funded. TWC maintains the ultimate responsibility for all employment decisions and actions relating to the “Texas Model” staff. Integrated Service Area Managers (ISAMs) serve as the TWC supervisors for “Texas Model” staff. The ISAMs coordinate all actions relating to “Texas Model” staff with Boards and their contractors.

The Middle Class Tax Relief and Job Creation Act of 2012 requires states operating an Emergency Unemployment Compensation (EUC) program to provide reemployment services (RES) and reemployment and eligibility assessment (REA) services to individuals who begin receiving EUC Tier 1 benefits or who transition from Tier 1 to Tier 2 benefits on or after March 23, 2012.

Texas Workforce Solutions Office staff provides EUC claimants with the following four RES/REA services:

1. Orientation to the services available through Workforce Solutions Offices;
2. Labor market and career information;
3. Assessment of the EUC claimant's skills; and
4. Review of the claimant's eligibility for EUC, including a review of the claimant's most recent work search log.

Additional services may include the following:

- Comprehensive and specialized assessments;
- Individual and group career counseling;
- Training;
- Additional reemployment services; and
- Job search counseling and the development or review of an individual reemployment plan that includes participation in job search activities and appropriate workshops.

E. Describe who or what this program or function affects. List any qualifications or eligibility requirements for persons or entities affected. Provide a statistical breakdown of persons or entities affected.

Boards provide ES services to all employers and job seekers requesting service. There are no eligibility requirements for ES services. In FY 2012, more than 1.5 million job seekers and 109,330 employers sought services from the 28 Local Workforce Development Boards.

F. Describe how your program or function is administered. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures. Indicate how field/regional services are used, if applicable.

TWC is the state level administering agency for integrated workforce services which includes ES, and is part of a statewide network dedicated to developing the workforce system in Texas. The network is composed of the statewide efforts of TWC coupled with planning and service provision on a regional level by 28 Local Workforce Development Boards.

Unlike other workforce programs which are administratively overseen by TWC and contracted to the 28 Boards, TWC provides both administrative oversight and employs the ES staff providing direct services (DOL mandates that ES staff be state merit staff). Under the Texas Model, responsibility for the day-to-day direction and oversight of ES state staff are assigned to the Boards and their workforce service contractors.

TWC administers the program by:

- Developing policy for ES services;
- Interpreting and implementing the requirements of state and federal statutes and regulations;
- Providing technical assistance, allocating funds to Boards; and
- Establishing Board performance targets.

TWC provides operating grants to each of the 28 Boards to support the ES staff in their workforce area.

G. Identify all funding sources and amounts for the program or function, including federal grants and pass-through monies. Describe any funding formulas or funding conventions. For state funding sources, please specify (e.g., general revenue, appropriations rider, budget strategy, fees/dues).

The ES program is funded with federal Wagner-Peyser funds referenced in 2012 LAR Strategy 1.1.4 and 2.1.2 Technical Assistance. Expenditures in FY2012 totaled \$ 50,052,286.

Funds allocated to the local workforce development areas are governed by TWC rules as set forth in 40TAC, §800.57. <http://www.twc.state.tx.us/twcinfo/rules/ch800.pdf>.

TWC also distributes an additional \$254,000 to workforce areas with significant numbers of MSFWs. The distribution is provided to Boards with the highest number of MSFWs in the state of Texas, with a distribution based on the relative proportion of the unduplicated count of MSFWs registered in WorkInTexas.com.

H. Identify any programs, internal or external to your agency, that provide identical or similar services or functions to the target population. Describe the similarities and differences.

Integrated services, including those under the WIA, Choices, the Temporary Assistance for Needy Families (TANF) employment program; Supplemental Nutrition and Assistance Employment and Training (SNAP E&T) and others provide job seekers with a variety of work activities that lead to permanent, unsubsidized employment.

Although these programs provide services that are similar, the major difference is the eligibility to become enrolled in the program. While Choices, SNAP E&T, and WIA have eligibility requirements, Wagner-Peyser Employment Services does not have eligibility associated with the receipt of services,. Individuals may be co-enrolled in any of these programs provided that they meet the eligibility criteria of each program.

I. Discuss how the program or function is coordinating its activities to avoid duplication or conflict with the other programs listed in Question H and with the agency's customers. If applicable, briefly discuss any memorandums of understanding (MOUs), interagency agreements, or interagency contracts.

The Boards administer all services, in an integrated workforce development system, thereby reducing inherent duplication that may occur when such services are operated independently. In addition, all customer are maintained in the Workforce Information System of Texas (TWIST), TWC's automated statewide, case management system and WorkInTexas.com, which have systems that assure that service provision is coordinated and duplication is avoided.

J. If the program or function works with local, regional, or federal units of government, include a brief description of these entities and their relationship to the agency.

The U.S. Department of Labor administers the Wagner-Peyser ES program.

K. If contracted expenditures are made through this program please provide:

- a short summary of the general purpose of those contracts overall;
- the amount of those expenditures in fiscal year 2012;
- the number of contracts accounting for those expenditures;
- top five contracts by dollar amount, including contractor and purpose;
- the methods used to ensure accountability for funding and performance; and
- a short description of any current contracting problems.

In FY2012, a total of \$1,174 was contracted out to provide needed interpreter services for customers.

L. Provide information on any grants awarded by the program.

In FY'12 TWC established Program Grant/Cooperative Agreements with 28 Boards. The purpose was to ensure that the Boards design systems, subcontracts and structures that support the goal of Wagner-Peyser employment services which is to meet the employment and training needs of employers and job seekers as described in Texas Labor Code, §302.021 & Chapter 307; 40 TAC Chapter 843; 29 USC §49 et seq.; Workforce Investment Act of 1998 as amended, 29 USC §2801 et seq.; 42 USC §502 & §1101; 20 CFR Part 652.

TWC contracts with each of the 28 Boards to support the ES staff. The amount of ES expenditures (for both staff salaries, and operating grants) in FY 2012 was \$50,052,286

TWC has successfully crafted a monitoring and performance accountability system that works to maximize results for employers and job seekers using the workforce system. TWC regularly monitors performance results to assist Boards in meeting their performance goals and objectives. Performance accountability and monitoring represent continuing opportunities to bring optimal service to customers.

As a part of the Regulatory Integrity Division, the Performance, Analysis, and Reporting (PAR) department is responsible for all workforce reporting. PAR provides timely, accurate, understandable information and analyses relevant to the performance, accountability, and integrity of the Texas workforce system. PAR's reporting ensures TWC management has the information necessary to make policy decisions that will help the system meet or exceed performance expectations.

TWC continuously analyzes performance reports and compares actual performance with grant benchmarks. Categorical program data is gathered and relevant reports are generated by Boards and are made available on the TWC Website. A snapshot of each Board's performance data and other key indicators is accessible by state and local staff. Because other data, such as labor market information, is also made available, this data source may be used to develop strategies for system and performance improvement.

The Agency's Sub-Recipient Monitoring Unit, which is part of the Regulatory Integrity Division, develops risk assessments and monitors Boards' compliance with programmatic and financial requirements associated with TAA service provision. On site monitoring activities conducted by the Sub-Recipient Monitoring unit are designed to identify opportunities to enhance program performance and strengthen control systems. Formal reports are generated for each monitoring visit, and are used as a basis to formulate remedial action plans and technical assistance provision where necessary.

The Workforce Development Division director conducts monthly performance and expenditure reviews with the division's technical assistance and contract management staff. These reviews of each Board and other grantees ensure that timely corrective actions are taken. When performance indicates the need for training or technical assistance, TWC initiates both.

TWC Commissioners also conduct quarterly performance and expenditure meetings, available by audio webcast, to ensure that Boards are meeting their contractual performance obligations, and that programs administered by TWC are meeting performance expectations. Using performance measures to manage and monitor grants allows TWC to emphasize quality.

M. What statutory changes could be made to assist this program in performing its functions? Explain.

None at this time.

N. Provide any additional information needed to gain a preliminary understanding of the program or function.

None

O. Regulatory programs relate to the licensing, registration, certification, or permitting of a person, business, or other entity. For each regulatory program, if applicable, describe:

- **why the regulation is needed;**
- **the scope of, and procedures for, inspections or audits of regulated entities;**
- **follow-up activities conducted when non-compliance is identified;**
- **sanctions available to the agency to ensure compliance; and**
- **procedures for handling consumer/public complaints against regulated entities.**

Not applicable.

P. For each regulatory program, if applicable, provide the following complaint information. The chart headings may be changed if needed to better reflect your agency's practices.

Not applicable.

A. Provide the following information at the beginning of each program description.

Name of Program or Function	Foreign Labor Certification
Location/Division	Workforce Development Division
Contact Name	Norma Martinez
Actual Expenditures, FY 2012	\$386,589
Number of Actual FTEs as of June 1, 2013	5.9
Statutory Citation for Program	8 USC Chapter 1101 et seq.; Immigration and Nationality Act, as amended, 29 USC §49 et seq.

B. What is the objective of this program or function? Describe the major activities performed under this program.

The Foreign Labor Certification (FLC) program assists employers considering foreign labor certification with recruitment to determine whether there are sufficient qualified workers available in the intended employment area, which is required before filing a foreign labor application with the U.S. Department of Labor (DOL). TWC's FLC unit conducts recruitment, Agricultural Wage Surveys and coordinates housing inspections with another TWC unit for the H-2A (Temporary Agriculture) and H-2B (Temporary Non-Agriculture) temporary visa programs.

C. What evidence can you provide that shows the effectiveness and efficiency of this program or function? Provide a summary of key statistics and performance measures that best convey the effectiveness and efficiency of this function or program.

In FY 2012, the FLC unit received 806 new job orders relating to H-2A applications. As part of the H-2A application process, employers requested 299 housing inspections for the housing available for temporary workers. DOL regulations require an initial response within 7 days to an employer's H-2A application. The response must include any deficiencies for modification that must be made before the job may be posted for recruitment. Currently, the FLC responds within three calendar days based on an initial review.

In FY 2012, the FLC unit received 145 new job orders for the H-2B program.

The FLC unit must also conduct agricultural wage surveys. In FY 2012, the FLC unit conducted 17 Texas agricultural wage surveys in compliance with DOL requirements.

D. Describe any important history regarding this program not included in the general agency history section, including how the services or functions have changed from the original intent.

Prior to March 2005, all permanent labor certifications were processed by state FLC units. In March 2005, DOL restructured the process to make all permanent labor determinations at the federal level. Applications for permanent labor certifications are no longer performed by the states.

In January 2009, DOL shifted the H-2B Non-Agricultural recruitment and application process to an attestation process. The State Workforce Agencies (SWAs), such as TWC, are no longer required to supervise the employers' recruitment responsibilities. New H-2B regulations that would have reinstated some of the SWA responsibilities for supervision of recruitment were adopted and were to become effective on February 12, 2012. However, a lawsuit was filed, and the 2009 regulations have not been implemented.

In January 2010, DOL assumed the responsibility for making prevailing wage determinations, a responsibility previously performed by SWAs.

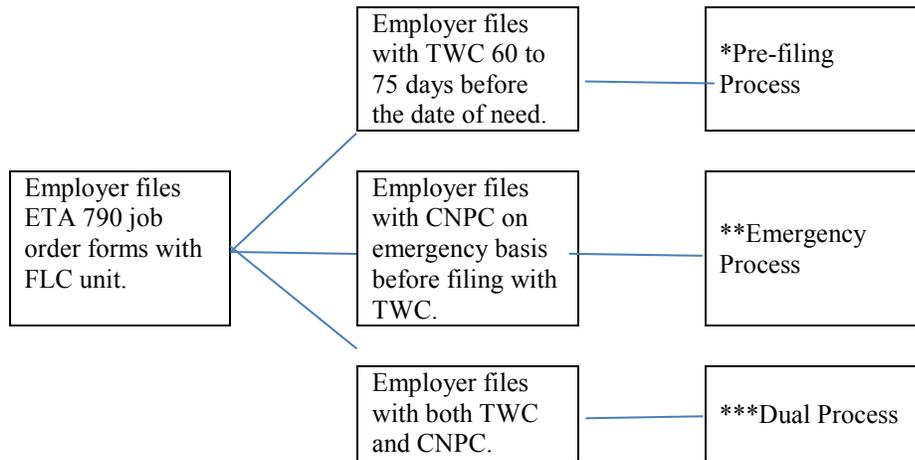
E. Describe who or what this program or function affects. List any qualifications or eligibility requirements for persons or entities affected. Provide a statistical breakdown of persons or entities affected.

The FLC program serves all employers who have temporary agricultural and non-agricultural job opportunities in Texas and who must recruit for U.S. workers before applying to the DOL for certification that there are not workers available for the jobs the employers need to fill.

F. Describe how your program or function is administered. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures. Indicate how field/regional services are used, if applicable.

The Foreign Labor Certification unit, within the Workforce Development Division, administers the FLC program. The Integrated Service Area Management staff support the FLC program in performing housing inspections required for housing provided by employers preparing to file an H-2A application for foreign workers. In addition, the FLC unit works closely with local workforce office staff relating to the recruitment and referral activity and documentation required for job postings that possibly will be associated with H-2A and H-2B applications.

H-2A TEMPORARY AGRICULTURAL LABOR CERTIFICATION



Each process requires:

- a housing inspection
- review of required forms for processing based on 20 CFR 653 Subpart F and 20 CFR 655 Subpart B
- recruitment process for both intrastate and interstate orders
- notifying DOL of both the housing inspection determination and recruitment activity.

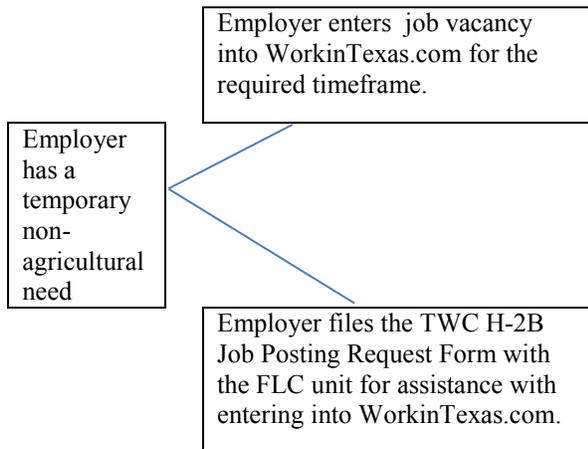
The FLC unit will coordinate all activity between the employer/employer representative and Chicago National Processing Center (CNPC). Recruitment activity will be 50% of the contract period.

*Pre-filing should start at the TWC level before filing at the CNPC level.

**Emergency filing should start at the CNCP level before filing at the TWC level.

*** Dual filing will start at both CNPC level and TWC level simultaneously.

H-2B TEMPORARY NON-AGRICULTURAL LABOR CERTIFICATION



The H-2B Temporary Non-Agricultural Labor Certification process is an attestation process and employers are required to conduct recruitment activity in the area of intended employment before filing with the CNPC.

G. Identify all funding sources and amounts for the program or function, including federal grants and pass-through monies. Describe any funding formulas or funding conventions. For state funding sources, please specify (e.g., general revenue, appropriations rider, budget strategy, fees/dues).

The FLC program is funded with federal funds in 2012 LAR Strategy A.2.5. Expenditures in FY2012 totaled \$386,589.

H. Identify any programs, internal or external to your agency, that provide identical or similar services or functions to the target population. Describe the similarities and differences.

No other external or internal agency performs foreign labor certification services or functions in Texas.

I. Discuss how the program or function is coordinating its activities to avoid duplication or conflict with the other programs listed in Question H and with the agency's customers. If applicable, briefly discuss any memorandums of understanding (MOUs), interagency agreements, or interagency contracts.

Not applicable

J. If the program or function works with local, regional, or federal units of government, include a brief description of these entities and their relationship to the agency.

DOL allocates FLC funds to TWC for the administration of the program and issues program guidance. DOL grants the employer a certification that allows the employer to petition the U.S. Citizenship and Immigration Services (CIS) for a visa. Approval by DOL does not guarantee visa issuance.

K. If contracted expenditures are made through this program please provide:

- a short summary of the general purpose of those contracts overall;
- the amount of those expenditures in fiscal year 2012;
- the number of contracts accounting for those expenditures;
- top five contracts by dollar amount, including contractor and purpose;
- the methods used to ensure accountability for funding and performance; and
- a short description of any current contracting problems.

Not applicable.

L. Provide information on any grants awarded by the program.

Not applicable.

M. What statutory changes could be made to assist this program in performing its functions? Explain.

None at this time.

N. Provide any additional information needed to gain a preliminary understanding of the program or function.

The FLC unit coordinates both intra- and interstate recruitment efforts for temporary agricultural jobs. Texas is considered a “supply” state for temporary agricultural work. Thus, other states provide job posting information to Texas, and other designated “supply” states, as part of the recruitment process for temporary agricultural work.

O. Regulatory programs relate to the licensing, registration, certification, or permitting of a person, business, or other entity. For each regulatory program, if applicable, describe:

- why the regulation is needed;
- the scope of, and procedures for, inspections or audits of regulated entities;
- follow-up activities conducted when non-compliance is identified;
- sanctions available to the agency to ensure compliance; and
- procedures for handling consumer/public complaints against regulated entities.

Not applicable.

**P. For each regulatory program, if applicable, provide the following complaint information.
The chart headings may be changed if needed to better reflect your agency's practices.**

Not applicable.

A. Provide the following information at the beginning of each program description.

Name of Program or Function	Senior Community Service Employment Program (SCSEP)
Location/Division	Workforce Development
Contact Name	Jennifer Jacob
Actual Expenditures, FY 2012	\$4,888,046
Number of Actual FTEs as of June 1, 2013	0.6
Statutory Citation for Program	Texas Labor Code, §302.021; Texas Human Resources Code, §101.023; Older Americans Act of 1965 as amended, 42 USC §3056 et seq.; 20 CFR Part 641

B. What is the objective of this program or function? Describe the major activities performed under this program.

The goal of the Senior Community Service Employment Program (SCSEP) is to assist low-income persons age 55 and older with the acquisition of competitive job skills so they can obtain unsubsidized jobs and achieve financial independence. SCSEP participants are paid the federal minimum wage of \$7.25 for their half-time, on-the-job training at host agencies. These include government agencies, school districts, and certain non-profit entities where the participants provide much needed services to their communities.

SCSEP's major activities include recruiting and enrolling participants; assessing and developing Individual Employment Plans for participants; recruiting host agencies; assigning participants to host agencies for their on-the-job training; providing additional training and supportive services as needed; conducting outreach to employers; and providing job search support to assist participants with obtaining and retaining unsubsidized jobs.

C. What evidence can you provide that shows the effectiveness and efficiency of this program or function? Provide a summary of key statistics and performance measures that best convey the effectiveness and efficiency of this function or program.

In Program Year (PY) 2011, TWC's SCSEP served 842 low-income seniors, who contributed almost 600,000 hours of community service in mostly rural areas.

As the following chart illustrates, TWC is performing at higher levels than the rest of the nation:

DOL Effectiveness Measure	TWC's SCSEP PY 2011 Performance	PY 11 SCSEP Average Performance for 50 State Grantees	PY 11 Average Performance for 5 Largest State Grantees besides Texas
PY 2011 Entered Employment rate	58.9%	34.0%	35.5%
PY 2011 Employment Retention rate	90.0%	74.9%	69.1%
PY 2011 Average Earnings	\$8,383	\$7,484	\$8,200
PY 2010 Participant Satisfaction score (ACSI)	83.3	81.5	80.0

D. Describe any important history regarding this program not included in the general agency history section, including how the services or functions have changed from the original intent.

Older Americans Act (OAA) Amendments of 1973 added SCSEP to provide part-time subsidized jobs for low-income persons aged 55 and older. The OAA Amendments of 2000 shifted SCSEP's purpose from providing subsidized community service jobs to providing subsidized community service training to help older Texans obtain unsubsidized jobs. The 2006 OAA Amendments established a maximum of 48 months participation in the program, with exceptions under certain circumstances, and also added core performance measures. SCSEP is the only OAA program administered by the U.S. Department of Labor (DOL).

E. Describe who or what this program or function affects. List any qualifications or eligibility requirements for persons or entities affected. Provide a statistical breakdown of persons or entities affected.

SCSEP's target audience is low-income seniors. In PY 2011, participants were mostly female (71%) and minorities (55%). SCSEP eligibility requirements include being 55 years of age or older, being unemployed, having a household income that is 125 percent or less of the federal poverty guideline, and being eligible to work in the U.S. Priority of service is given to individuals with one or more of these "most-in-need" characteristics:

- Are federal- or state-qualified veterans or federal- or state-qualified spouses of veterans
- Have a severe disability
- Are frail
- Are age 75 or older
- Are age-eligible but are not receiving benefits under title II of the Social Security Act Live in an area with persistent unemployment and have severely limited employment prospects
- Have limited English proficiency
- Have low literacy skills
- Have a disability
- Live in a rural area
- Have low employment prospects
- Have failed to find employment after using services provided under title I of the Workforce Investment Act
- Are homeless or at risk for homelessness.

F. Describe how your program or function is administered. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures. Indicate how field/regional services are used, if applicable.

Experience Works (EW) administers the program under a competitive contract awarded by TWC. The State Director of EW, headquartered in Waco, Texas, oversees both the state subcontract and the federal Texas project funded directly by DOL to the EW national office. Two EW State Managers oversee 10 field coordinators, who provide services in TWC's SCSEP service area.

G. Identify all funding sources and amounts for the program or function, including federal grants and pass-through monies. Describe any funding formulas or funding conventions. For state funding sources, please specify (e.g., general revenue, appropriations rider, budget strategy, fees/dues).

The SCSEP program is funded with federal SCSEP funds and State General Revenue matching funds referenced in 2012 LAR Strategy 1.1.8. Expenditures in FY2012 totaled \$4,888,046.

H. Identify any programs, internal or external to your agency, that provide identical or similar services or functions to the target population. Describe the similarities and differences.

Five national organizations (AARP, Experience Works, National Asian Pacific Center on Aging, SER Jobs for Progress, and Senior Service America) receive funds directly from DOL to operate SCSEP in Texas. Title V appropriations are distributed to states as follows: 78 percent of the funds go to DOL-funded national grantees, and 22 percent of the funds go to the states. TWC contracts with Experience Works to operate SCSEP in TWC's SCSEP 90-county service area.

No other program besides SCSEP – either federally funded or state funded -- specifically targets low-income older workers. The federally funded Job Training Partnership Act had a 5% set aside for low-income older workers. The older worker set-aside ended when the Workforce Investment Act was implemented in 1998.

I. Discuss how the program or function is coordinating its activities to avoid duplication or conflict with the other programs listed in Question H and with the agency's customers. If applicable, briefly discuss any memorandums of understanding (MOUs), interagency agreements, or interagency contracts.

TWC has worked with national organizations since 2005 to eliminate counties being served by more than one SCSEP grantee. TWC's subgrantee (Experience Works), and the national grantees work together to ensure that services are not duplicated in the counties. The DOL national grantees serve 164 counties, and TWC's grantee, Experience Works, serves the remaining 90 counties.

In addition, Experience Works, has signed memoranda of understanding with the 18 Boards whose workforce areas overlap with TWC's SCSEP service area.

J. If the program or function works with local, regional, or federal units of government, include a brief description of these entities and their relationship to the agency.

DOL allocates funds for the administration of the program and monitors compliance with federal SCSEP laws and regulations.

Host agencies are local non-profit organizations, school districts, or city, county, state, or federal entities that agree to provide training, supervision, and support for SCSEP participants and, if possible, to hire participants in permanent unsubsidized jobs. Active host agencies sign agreements annually with the subgrantee, and host agency supervisors sign participants' Individual Employment Plans.

K. If contracted expenditures are made through this program please provide:

- a short summary of the general purpose of those contracts overall;
- the amount of those expenditures in fiscal year 2012;
- the number of contracts accounting for those expenditures;
- top five contracts by dollar amount, including contractor and purpose;
- the methods used to ensure accountability for funding and performance; and
- a short description of any current contracting problems.

Not applicable.

L. Provide information on any grants awarded by the program.

Experience Works is TWC's only SCSEP subgrantee. The amount of SCSEP expenditures for FY2012 was \$4,888,046.

Performance is tracked using DOL's automated SCSEP Performance and Results QPR (SPARQ) database. The grantee is also required to submit monthly reports that contain detailed information on services provided and progress in meeting contract deliverables.

Once a project is approved and a contract in place, the grantee is required to submit monthly reports that contain detailed information on services provided and progress in meeting contract deliverables. These reports are reviewed and evaluated monthly by the contract manager, and during monthly meeting with TWC's Workforce Division Management. Follow-up is conducted by the contract manager when variances or anomalies are reported. When contract deliverables, such as performance indicates the need for training or technical assistance, TWC initiates both. Reimbursement is performance-based and requested electronically through the agency's Cash Draw and Expenditure Reporting (CDER) system.

M. What statutory changes could be made to assist this program in performing its functions? Explain.

None at this time.

N. Provide any additional information needed to gain a preliminary understanding of the program or function.

Not applicable.

O. Regulatory programs relate to the licensing, registration, certification, or permitting of a person, business, or other entity. For each regulatory program, if applicable, describe:

- **why the regulation is needed;**
- **the scope of, and procedures for, inspections or audits of regulated entities;**
- **follow-up activities conducted when non-compliance is identified;**
- **sanctions available to the agency to ensure compliance; and**
- **procedures for handling consumer/public complaints against regulated entities.**

Not applicable

P. For each regulatory program, if applicable, provide the following complaint information. The chart headings may be changed if needed to better reflect your agency's practices.

Not applicable.

A. Provide the following information at the beginning of each program description.

Name of Program or Function	Skills Development Fund
Location/Division	Workforce Development Division
Contact Name	Dale Robertson
Actual Expenditures, FY 2012	\$23,226,547
Number of Actual FTEs as of June 1, 2013	19.1
Statutory Citation for Program	Texas Labor Code, Chapter 303, 40 TAC Chapter 803

B. What is the objective of this program or function? Describe the major activities performed under this program.

The Skills Development Fund (Skills) provides grants to public community and technical colleges or Texas Engineering Extension Service (TEEX), or a community-based organization (CBO) (501(c)(3) non-profit) in partnership with one of these entities, to provide customized job training programs for businesses or consortium of businesses or trade union who want to train new workers or upgrade the skills of their existing workforce.

C. What evidence can you provide that shows the effectiveness and efficiency of this program or function? Provide a summary of key statistics and performance measures that best convey the effectiveness and efficiency of this function or program.

Since the program inception in 1996 through 2012, Skills has helped 3,901 employers create 91,998 jobs and upgrade the skills of 194,216 incumbent workers, for a total of 286,214 workers. While the advantages for businesses participating in Skills grants are multifold, workers also benefit from these projects. Participating workers are provided career opportunities and, in many cases, wage gains. TWC pays particular attention when awarding grants to ensure that businesses agree upfront to a wage increase for participants who successfully complete training, and that, at the completion of training, wages are equal to or greater than the prevailing wage in the local area. Statewide, the average wage paid to workers trained with Skills grants has increased from \$10.33 in FY1996 to \$23.86 in FY2012.

In FY 2012, TWC's Skills Development Fund:

- Received 73 proposal submissions for \$25,748,141 in Skill grants
- Funded 50 grants, with an average award of \$448,834
- Served 111 businesses
- Supported the creation of 5,108 new jobs
- Retrained 14,732 current workers in existing jobs

D. Describe any important history regarding this program not included in the general agency history section, including how the services or functions have changed from the original intent.

TWC recognizes the value of skills training to Texas employers. Skills is a powerful tool that continues to meet the challenges associated with a global economy and the ever increasing training needs of Texas businesses and workers.

Over the last year, and in response to concerns from eligible entities, TWC implemented a new contracting model. This new model streamlines the process by which grantees can make changes to the training project by establishing three levels of approval for change requests, lessening the amount of time required for minimum changes and increasing flexibility to allow colleges to respond quickly to the changing needs of the business partners. At the same time, this process maintains quality reviews of amendments that require additional research by TWC staff. These levels of changes are: Notifications, Modifications, and Amendments. Additionally, the new model puts into place three different types of categories to ensure that training provides technical skills in response to industry and business needs. These training categories include: Business Technical – training that is occupation specific and directly related to the core functions of the business (a minimum of 55% training hours required for this category); General Technical – training that may be essential to the job but are more basic and foundational in nature (up to 45% training hours allowed for this category); and Non-Technical – training that enhances an individual’s interactions and job performance, contributing to organizational and personal success (up to 10% training hours allowed for this category).

While the intent of the program has not changed, TWC recognizes the ever-changing needs of businesses and the necessity to be available to respond to these needs quickly and effectively. As a result, several additional programs have been conceived that allow TWC to respond to the needs of high-demand industries at the same time providing businesses the skilled workforce they need, and the Texas workforce the skill-set they need to fill these occupations at competitive wages. Some initiatives include:

- Skills for Small Business: Provides small businesses the opportunity to request training for their employees and improve overall business operations;
- Skills for Veterans: Provides businesses the opportunity to request training for recently hired veterans;
- Pre-employment Skills Training – Provides an opportunity for businesses to partner with a public community or technical college or Texas Engineering Extension Services to train potential employees before they are hired by the business. The business partner collaborates with the college to make sure training design and delivery meets its specifications and that trainees are selected based on the business’ employment criteria.

During the 83rd Legislative Session, HB3028 was passed, directing that no more than 5% of Skills Development funds be used as follows:

The addition of a joint credit program under Skills. Funds will be used for awarding a lower-division institution of higher education (a public junior college public state college, or public technical institute) that has an agreement with a school district to support courses offered for joint high school and college-level credit or offered under a college credit career or technical education program that leads to an industry-recognized license, credential, or certificate. Uses of funds can include purchasing or repairing necessary equipment for a course and developing a course curriculum.

E. Describe who or what this program or function affects. List any qualifications or eligibility requirements for persons or entities affected. Provide a statistical breakdown of persons or entities affected.

The Skills program serves businesses and trade unions that form partnerships with local community and technical colleges or TEEEX.

Qualifications and Eligibility Requirements:

- Eligible grant recipients must be public community and technical colleges, TEEEX, or a CBO in partnership with one of these entities.
- Skills funds must be used by eligible grantees to develop customized training programs jointly with businesses or trade unions.
- An existing business partner must have one or more employees and be liable to pay contributions under Subtitle A, Title 4 (UI contributions), for more than one year, and is in compliance with the payment requirements of Subtitle A, Title 4 (compliance is checked through a review conducted by the TWC Regulatory and Integrity Division for all businesses participating in projects).
- A signed agreement between the eligible grantee and identified business partner must be submitted to show collaboration on the development of the training program to be funded by Skills.
- Business partners must commit to a wage increase for all incumbent workers receiving training.
- Business partners are not eligible to participate in a subsequent Skills project for 12 months following the end date. Exceptions to this are businesses with locations in different board areas or projects that will be training all new workers.
- Participants who receive training under a Skills project must be paid wages that are equal to or in excess of the prevailing wage for their occupation in the local labor market.
- Participants who receive training must be full-time, permanent employees of the participating business.
- Participants who receive training must be located in Texas. This is confirmed through wage records and business contributions to the UI system.
- Training is limited to workers who are in non-executive level positions.

In FY2012:

- 50 grants were awarded with an average award amount of \$48,834
- 111 businesses were partners in these training projects
- 19,840 trainees were contracted to receive training under Skills. Of these trainees:
 - 5,108 were new hires;
 - 14,732 were incumbent workers.

F. Describe how your program or function is administered. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures. Indicate how field/regional services are used, if applicable.

The Workforce Business Services Department, within the Workforce Development Division, administers the Skills program. Three teams are involved in the process:

- Business Outreach and Project Development Team: This team is responsible for working directly with the colleges and business partners by providing direct support to project development, including but not limited to:
 - Meeting with the college and assisting with the development of the training plan and

- proposal.
 - Coordinating meetings with the college and business partner to discuss training plan and address potential issues.
 - Regular contact with local workforce development areas to ensure local business needs are being met.
 - Performing a quality control check on the proposal upon submission.
- Proposal Evaluation Team: This team is responsible for reviewing all proposals submitted for funding. Evaluation includes:
 - Ensuring that all program guidelines and requirements are met (i.e., wages meet prevailing wage; business partners approved by RID; etc.).
 - Reviewing training plans to ensure minimum requirements for training categories are met and courses are appropriately categorized.
 - Reviewing the overall proposal to ensure feasibility and implementation of a training project within established guidelines and attainable goals.
 - An internal timeline of 10-days has been put into place to ensure a timely review of projects for implementation.
 - Contract Management Team: This team is responsible for the day-to-day management of projects after they have been awarded and put into contracts. Management includes:
 - Development of contract documents utilizing standard templates.
 - Monthly review of reports to ensure training is on target;
 - Regular communications with grantee to ensure smooth progress of training and identification of any potential issues;
 - Review of program outcomes to confirm reasonable expenditures by grantee, as contracts are performance-based; and
 - Other items as needed.

G. Identify all funding sources and amounts for the program or function, including federal grants and pass-through monies. Describe any funding formulas or funding conventions. For state funding sources, please specify (e.g., general revenue, appropriations rider, budget strategy, fees/dues).

The Skills program is funded through a state general revenue appropriation, in 2012 LAR Strategy 1.2.1, 2.1.1 and 2.1.2. Expenditures in FY2012 totaled \$23,226,547.

H. Identify any programs, internal or external to your agency, that provide identical or similar services or functions to the target population. Describe the similarities and differences.

The Self-Sufficiency Fund (SSF), also administered by TWC and the Workforce Business Services Department was modeled after the Skills program. A key difference between the two programs is the requirement that individuals who receive training under SSF be TANF recipients as well as those individuals at risk of becoming dependent on public assistance. Additionally, SSF does not have prevailing wage requirements or training category requirements such as Skills. Due to the needs of the SSF (TANF) population, additional services that are not available under SDF are made available, such as support services, case management, assistance with transportation, and training stipends.

I. Discuss how the program or function is coordinating its activities to avoid duplication or conflict with the other programs listed in Question H and with the agency's customers. If applicable, briefly discuss any memorandums of understanding (MOUs), interagency agreements, or interagency contracts.

Because both programs are administered out of the same unit, Workforce Business Services, coordination and management of all contracts ensures that duplication is not occurring among grantees. Additionally, local projects are required to involve the Local Workforce Development Board (Board) in the review of projects. This process includes the submission of a formal review and comment form with all project proposals. The coordination at both the state and local level eliminates or significantly reduces the chances of duplication or conflict.

J. If the program or function works with local, regional, or federal units of government, include a brief description of these entities and their relationship to the agency.

Not applicable.

K. If contracted expenditures are made through this program please provide:

- a short summary of the general purpose of those contracts overall;
- the amount of those expenditures in fiscal year 2012;
- the number of contracts accounting for those expenditures;
- top five contracts by dollar amount, including contractor and purpose;
- the methods used to ensure accountability for funding and performance; and
- a short description of any current contracting problems.

Not applicable.

L. Provide information on any grants awarded by the program.

In FY2012:

- 50 grants were awarded with an average award amount of \$48,834;
- 111 businesses were partners in these training projects;
- 19,840 trainees were contracted to receive training under Skills. Of these trainees:
- 5,108 were new hires;
- 14,732 were incumbent workers.
- Contracts are entered into with eligible grantees upon successful review and award of proposed training projects. Contracts contain the general terms and conditions applicable to the program, as well as the reporting and program requirements the grantee has agreed to. These are summarized in the Deliverables Section of the contract and are identified as deliverables to be met during the course of the contract. They include:
 - Provision of a Performance and Expenditure Projection Plan that includes performance benchmarks by which to measure progress of contract
 - Provision of a written agreement with the contracted business partners
 - Number of trainees for new jobs
 - Number of trainees for upgraded/incumbent jobs
 - Total number of business technical training hours

- Total number of general technical training hours
- Total number of non-technical training hours
- Percentage of business technical training hours
- Percentage of general technical training hours
- Monthly and final reports
- In FY2012, expenditures directly related to these contracts amounted to \$21,332,392.
- 50 contracts account for the above-mentioned expenditures.
- The top five contractors by dollar amount, along with the purpose of the training project are:
 - **Alamo Colleges in partnership with Rackspace, \$2,500,000.** This training project will allow the company to hire in Texas for the very occupations that normally must be filled globally because of the technological skills required for its services. Cutting-edge training using dynamic technical curriculum is vital to the company's stability and growth. The company hopes to transition non-credit training courses into a Software Development academic program hosted at the college for participants who want to earn a college degree. The college will expand its capacity by developing curriculum for software development, cloud technologies and data networking.
 - **Lone Star College in partnership with Bauer Manufacturing and National Oilwell Varco, \$1,338,429.** This training project will provide training in various aspects of machining, safety, logistics, and lean that will result in more efficient operations, enhanced employee skills, increased profits, and improvements in safety, production efficiency and employee retention.
 - **McLennan Community College in partnership with a Healthcare Consortium, \$1,311,397.** This project will focus on Continuing Nursing Education and Nurse Preceptor, Neonatal/Pediatric and Cardiac training. The training will upgrade the skill level of experienced nursing staff with industry recognized certifications; focus on specialized training for nurse preceptors where they learn skills based on the hospital's equipment and procedures; and enhance utilization of simulation mannequins, the hands-on patient care and mentoring component from experienced nurses.
 - **McLennan Community College in partnership with a Manufacturing Consortium, \$998,874.** This project will address the skills gaps of the participating businesses by providing training on the operation and maintenance of complex manufacturing equipment, various productivity software programs, forklift, safety, computer skills, leadership and lean manufacturing. The businesses' overall goals for this project are to increase efficiencies and remain profitable.
 - **Houston Community College in partnership with Methodist Health Centers Consortium, \$902,965.** The project will provide training to assist employees in providing safe quality care while enhancing their abilities to advance in their positions. The training will increase the skills of health care professionals, support state-required certifications, and prepare those seeking promotion and advancement on their career path. In addition, the proposed project will provide the college the opportunity to increase its capacity to deliver clinical healthcare specialty training.
- To ensure accountability, several parameters are put into place. During the project development and review process, costs are reviewed carefully to ensure that they are within range of targeted cost requirements. Additionally, the evaluation team compares costs to other like projects and works with the college when anomalies are identified. Once a project is approved and a contract in place, the grantee is required to submit monthly reports that contain detailed information on training provided and progress in meeting contract deliverables. These reports are reviewed and evaluated monthly by contract managers, and during monthly meeting with TWC's Workforce Division Management. Follow-up is conducted by contract managers when variances greater

than 20% in progress or anomalies are reported. When contract deliverables, such as performance, indicates the need for training or technical assistance, TWC initiates both. Reimbursement is performance-based and requested electronically through the agency's Cash Draw and Expenditure Reporting (CDER) system, and annually, TWC monitors visit grantees onsite and perform monitoring reviews ensuring compliance with all program requirements.

- There are some projects that have challenges meeting performance given the amount of time that has occurred in the project period. These issues are addressed by the contract manager with the grantee, and solutions are identified, sometimes requiring a change or amendment to the contract. Problems may include: a business is unable to remain committed to the number of trainees in the project; business may have increased production demands that interfere with its ability to release employees for training; college may encounter issues with finding a certified instructor for a specific course.

M. What statutory changes could be made to assist this program in performing its functions? Explain.

None at this time.

N. Provide any additional information needed to gain a preliminary understanding of the program or function.

Not applicable.

O. Regulatory programs relate to the licensing, registration, certification, or permitting of a person, business, or other entity. For each regulatory program, if applicable, describe:

- why the regulation is needed;
- the scope of, and procedures for, inspections or audits of regulated entities;
- follow-up activities conducted when non-compliance is identified;
- sanctions available to the agency to ensure compliance; and
- procedures for handling consumer/public complaints against regulated entities.

Not applicable.

P. For each regulatory program, if applicable, provide the following complaint information. The chart headings may be changed if needed to better reflect your agency's practices.

Not applicable.

A. Provide the following information at the beginning of each program description.

Name of Program or Function	Supplemental Nutrition Assistance Program Employment and Training
Location/Division	Workforce Development Division
Contact Name	Patricia Gonzalez
Actual Expenditures, FY 2012	\$22,899,396
Number of Actual FTEs as of June 1, 2013	9.7
Statutory Citation for Program	Texas Labor Code, §302.021; Texas Human Resources Code, §31.027; 40 TAC Chapter 813; 7 USC §§2011 et seq.

B. What is the objective of this program or function? Describe the major activities performed under this program.

Supplemental Nutrition Assistance Program (SNAP) Employment and Training (SNAP E&T) assists SNAP recipients by improving their ability to obtain regular employment and reduce their dependency on public assistance. Twenty-eight Local Workforce Development Boards (Boards) provide oversight and planning for integrated workforce services, which are delivered through contracted Texas Workforce Solutions providers. Workforce Solutions providers operate a variety of SNAP E&T services. Comprehensive services—including job search, training, workfare (i.e., community service), work experience, vocational and basic education activities, and support services—are provided to SNAP recipients who are classified in Texas as:

- Able-Bodied Adults Without Dependents (ABAWDs): or
- General Population (i.e., non-ABAWDs, or those SNAP recipients with families).

C. What evidence can you provide that shows the effectiveness and efficiency of this program or function? Provide a summary of key statistics and performance measures that best convey the effectiveness and efficiency of this function or program.

Boards outreach 100 percent of their ABAWD population within 10 days of referral from the Texas Health and Human Services Commission. For Federal Fiscal Year (FFY) 2012, Boards served 49,579 SNAP recipients, and 87.32 percent entered unsubsidized employment.

D. Describe any important history regarding this program not included in the general agency history section, including how the services or functions have changed from the original intent.

Federal

- The Food Stamp Act of 1977, (P. L. 108-269), required that any person who is otherwise eligible for the FSP, who is physically and mentally fit, and who is between the ages of 18 and 60 (previously 18 to 65) must:
 - Register for employment in a manner determined by USDA;
 - Fulfill whatever reasonable job search requirements are prescribed by USDA;

- Not quit any job without good cause. If the head of the household quits, the household is ineligible for food stamps for 60 days starting from the date of the quit. This rule does not apply if the household was certified for food stamps just before the head of the household quit the job.
 - Not refuse (without good cause) to accept a job paying either the State or Federal minimum wage, whichever is higher. This requirement does not compel anyone to accept employment at a site or plant subject to a strike or lockout.
- The Food Security Act of 1985, P. L. 99-198 (amended the Food Stamp Act of 1977), created the Food Stamp Employment and Training (FSE&T) program. The intent of the statute was to ensure that able-bodied food stamp recipients engaged in meaningful work-related activities that led to paid employment and decreased dependency on public assistance.
 - The Mickey Leland Domestic Hunger Relief Act of 1990 authorized demonstration initiatives to test the feasibility of combining FSE&T and Job Opportunities and Basic Skills (JOBS) services.
 - The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) (P.L. 104-193) and the Balanced Budget Act of 1997 included significant changes to the Food Stamp Program. PRWORA imposed a new work requirement on food stamp recipients between the ages of 18 and 50 who have no dependents—known as Able-Bodied Adults Without Dependents (ABAWDs). To remain eligible for SNAP benefits for more than three months in any 36-month period, ABAWDs must be:
 - engaged in work (paid or unpaid) for at least 20 hours per week; or
 - participating in FSE&T.
 - The Balanced Budget Act of 1997 (P.L. 105-33) required states to target 80 percent of their 100 percent federal FSE&T grant funds to services for ABAWDs.
 - The Farm Bill (P.L. 107-171), signed into law on May 13, 2002, significantly altered the FSE&T funding provisions of the Food Stamp Act (7 U.S.C. §2025), and the Balanced Budget Act of 1997 for Federal Fiscal Years 2002 through 2007. Section 4121 of the Farm Bill:
 - - Reauthorized FSE&T;
 - - set the basic amount of unmatched federal funding;
 - - eliminated the requirement to target 80 percent of the 100 percent funding; and
 - - Provided an additional amount of federal funding to states that guarantee to serve all ABAWDS before their three months of benefits in any 36-month period expire.
 - The Food, Conservation, and Energy Act (FCEA) of 2008, enacted June 18, 2008, amended the Food Stamp Act of 1977, now named the Food and Nutrition Act of 2008. The amendments included changing the name of the Food Stamp Program to the Supplemental Nutrition Assistance Program (SNAP). The Texas Health and Human Services Commission (HHSC), which administers the federal program, has changed the name of the state Food Stamp Program to SNAP. To align with the federal and state name changes, TWC has changed the name of Food Stamp Employment and Training (FSE&T) to Supplemental Nutrition Assistance Program Employment and Training (SNAP E&T).
 - FCEA also gave states the option of providing up to 90 days of allowable job retention services and support services to SNAP recipients who participated in SNAP E&T activities and then entered full- or part-time employment.

State

- In FFY'04, SNAP E&T services were provided only to mandatory work registrants (i.e., ABAWDs and the FSE&T General Population) in "active" FSE&T counties. In FFY'05, TWC provided statewide access and expanded the availability of services to all food stamp recipients (including exempt recipients) through the creation of full- and minimum-service counties. Services are provided through Texas Workforce Solutions Offices, including satellite offices, in full service counties and minimum-service counties, based on available funding.
- In FFY'09, Texas implemented the FCEA provision that allows states to use SNAP E&T funds to provide job retention service, support services, or both, for up to 90 days to SNAP recipients who participated in SNAP E&T services and entered full-or part-time employment.

E. Describe who or what this program or function affects. List any qualifications or eligibility requirements for persons or entities affected. Provide a statistical breakdown of persons or entities affected.

The program provides employment and job retention services to SNAP mandatory work registrants. In FY 2012, 49,579 people received SNAP E&T services.

The Texas Health and Human Services Commission (HHSC) is the administering agency for SNAP in Texas. HHSC determines eligibility and mandatory or exempt status, and electronically transmits this information to TWC's The Workforce Information System of Texas (TWIST). Once the SNAP recipient's information is electronically transmitted to TWIST, the outreach process occurs as follows:

- SNAP recipients classified as ABAWDs are outreached within 10 days of appearing in TWC's The Workforce Information System of Texas (TWIST).
- SNAP recipients classified as SNAP E&T General Population are outreached as funding permits.

All mandatory work registrants who are outreached and fail to comply with SNAP E&T work requirements are sanctioned by HHSC as follows:

- One month for the first noncompliance or until the individual agrees to comply, whichever is longer
- Three months for the second noncompliance or until the individual agrees to comply, whichever is longer
- Six months for a third or subsequent noncompliance or until the individual agrees to comply, whichever is longer

F. Describe how your program or function is administered. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures. Indicate how field/regional services are used, if applicable.

TWC is the state-level administering agency for integrated workforce services which includes SNAP E&T, and is part of a statewide network dedicated to developing the workforce system in Texas. The network is composed of the statewide efforts of TWC coupled with planning and service provision on a regional level by 28 Boards.

TWC provides administrative oversight, but does not directly administer SNAP E&T services. TWC administers the program by:

- Developing policy for SNAP E&T services (as set forth in TWC’s SNAP E&T rules in 40 TAC Chapter 813)
- Interpreting and implementing the requirements of state and federal statutes and regulations governing child care
- Providing technical assistance, allocating funds to Boards; and
- Establishing Board performance targets

TWC contracts with each of the 28 Boards to administer SNAP E&T services. The Board competitively procures contractors who employ Workforce Solutions staff who provide services to SNAP E&T customers.

Referrals of SNAP mandatory work registrations are received through an automated interface with the Health and Human Services Commission. Workforce Solutions staff contact clients based on this information.

G. Identify all funding sources and amounts for the program or function, including federal grants and pass-through monies. Describe any funding formulas or funding conventions. For state funding sources, please specify (e.g., general revenue, appropriations rider, budget strategy, fees/dues).

The SNAP E&T program is funded with federal SNAP funds and State General Revenue matching funds referenced in 2012 LAR Strategy 1.1.5, 2.1.1 and 2.1.2. Expenditures in FY2012 totaled \$22,899,396.

The federal SNAP funds, administered by the Food and Nutrition Service (FNS) under the U.S. Department of Agriculture (USDA) fall into three categories:

1. 100 Percent Federal Grant

FNS allocates the 100 percent federal grant authorized by Congress to fund the administrative costs of planning, implementing, and operating SNAP E&T services. Boards must use federal grant funds only for providing SNAP E&T activities to eligible SNAP recipients (i.e., mandatory work registrants and exempt recipients who voluntarily participate in SNAP E&T). Boards must not use 100 percent federal funds for support services (e.g., transportation).

2. State and Federal Funds (50/50)

In addition to the 100 percent federal grant, states have the flexibility to access federal matching funds to provide all services, including support services, at a 50/50 matching rate. The Texas Legislature appropriates state general revenue funds to supplement services that Boards provide through the 100 percent federal grant, with state funds matched by FNS on a dollar-for-dollar basis.

3. Able Bodied Adults Without Education (ABAWD)-Only 100 Percent Federal Funds

FNS provides additional 100 percent funds for states that commit to offering ABAWDs qualifying SNAP E&T activities—such as education, training, or workfare—that permit them to remain eligible for SNAP beyond the three-month time limit. ABAWD-only 100 percent federal funds cannot be used for support services (e.g., transportation).

Funds allocated to the local workforce development areas are governed by TWC rules as set forth in 40TAC, §800.54 <http://www.twc.state.tx.us/twcinfo/rules/ch800.pdf>.

H. Identify any programs, internal or external to your agency, that provide identical or similar services or functions to the target population. Describe the similarities and differences.

Integrated services, including those under the Workforce Investment Act (WIA); Choices, the Temporary Assistance for Needy Families (TANF) employment program; and others provide job seekers (including those receiving SNAP benefits) with a variety of work activities that lead to permanent, unsubsidized employment. As authorized by the Food and Nutrition Act, all WIA services including job search, work experience, and training, can be provided to SNAP recipients to satisfy work requirements. SNAP recipients can be co-enrolled in both SNAP E&T and WIA simultaneously in accordance with an employment plan. The Food Stamp Act prohibits the use of SNAP E&T funds for individuals receiving TANF. Therefore, SNAP recipients receiving TANF are subject to and must comply with work requirements under TANF/Choices as appropriate.

I. Discuss how the program or function is coordinating its activities to avoid duplication or conflict with the other programs listed in Question H and with the agency's customers. If applicable, briefly discuss any memorandums of understanding (MOUs), interagency agreements, or interagency contracts.

HHSC staff is responsible for ensuring that a SNAP customer who is also receiving TANF is not referred for SNAP E&T services but instead, is subject to the requirements of the Choices program as appropriate. The Workforce Information System of Texas (TWIST), TWC's automated statewide, case management system is programmed to identify a specific exemption code that will prevent the opening of SNAP E&T services for individuals who receive TANF.

J. If the program or function works with local, regional, or federal units of government, include a brief description of these entities and their relationship to the agency.

The U.S. Department of Agriculture's Food and Nutrition Service (FNS) administers the SNAP E&T program. FNS allocates SNAP E&T funds to TWC for the administration of the program, approves state plans, and monitors compliance with federal SNAP E&T laws and regulations through a management evaluation review process.

K. If contracted expenditures are made through this program please provide:

- a short summary of the general purpose of those contracts overall;
- the amount of those expenditures in fiscal year 2012;
- the number of contracts accounting for those expenditures;
- top five contracts by dollar amount, including contractor and purpose;
- the methods used to ensure accountability for funding and performance; and
- a short description of any current contracting problems.

Not applicable.

L. Provide information on any grants awarded by the program.

In FY'12 TWC established Program Grant/Cooperative Agreements with 28 Boards. The purpose was to ensure that the Boards design systems, subcontracts, and structures supporting the provision of SNAP E&T services that conform with 7 U.S. C. §2015(d)4(B), 7 C.F. R., Parts 271-273, and 40 TAC, Chapter 813, and focus on providing SNAP recipients employment and training activities that will lead to long-term self-sufficiency.

TWC contracts with each of the 28 Boards to administer SNAP E&T services. The amount of SNAP E&T expenditures for FY2012 was \$22,899,396.

TWC has successfully crafted a monitoring and performance accountability system that works to maximize results for employers and job seekers using the workforce system. TWC regularly monitors performance results to assist Boards in meeting their performance goals and objectives. Performance accountability and monitoring represent continuing opportunities to bring optimal service to customers.

As a part of the Regulatory Integrity Division, the Performance, Analysis, and Reporting (PAR) department is responsible for all workforce reporting. PAR provides timely, accurate, understandable information and analyses relevant to the performance, accountability, and integrity of the Texas workforce system. PAR's reporting ensures TWC management has the information necessary to make policy decisions that will help the system meet or exceed performance expectations.

TWC continuously analyzes performance reports and compares actual performance with grant benchmarks. Categorical program data is gathered and relevant reports are generated by Boards and are made available on the TWC Website. A snapshot of each Board's performance data and other key indicators is accessible by state and local staff. Because other data, such as labor market information, is also made available, this data source may be used to develop strategies for system and performance improvement.

The Agency's Sub-Recipient Monitoring Unit, which is part of the Regulatory Integrity Division, develops risk assessments and monitors Boards' compliance with programmatic and financial requirements associated with TAA service provision. On site monitoring activities conducted by the Sub-Recipient Monitoring unit are designed to identify opportunities to enhance program performance and strengthen control systems. Formal reports are generated for each monitoring visit, and are used as a basis to formulate remedial action plans and technical assistance provision where necessary.

The Workforce Development Division director conducts monthly performance and expenditure reviews with the division's technical assistance and contract management staff. These reviews of each Board and other grantees ensure that timely corrective actions are taken. When performance indicates the need for training or technical assistance, TWC initiates both.

TWC Commissioners also conduct quarterly performance and expenditure meetings, available by audio webcast, to ensure that Boards are meeting their contractual performance obligations, and that programs administered by TWC are meeting performance expectations. Using performance measures to manage and monitor grants allows TWC to emphasize quality.

M. What statutory changes could be made to assist this program in performing its functions? Explain.

None at this time.

N. Provide any additional information needed to gain a preliminary understanding of the program or function.

Congress has introduced three bills relating to SNAP reauthorization. Currently, no bill has passed both chambers of Congress. The current SNAP authorization expires September 30, 2013. Failure to reauthorize would inhibit TWC's ability to provide employment and training services for SNAP recipients.

O. Regulatory programs relate to the licensing, registration, certification, or permitting of a person, business, or other entity. For each regulatory program, if applicable, describe:

- why the regulation is needed;
- the scope of, and procedures for, inspections or audits of regulated entities;
- follow-up activities conducted when non-compliance is identified;
- sanctions available to the agency to ensure compliance; and
- procedures for handling consumer/public complaints against regulated entities.

Not applicable

P. For each regulatory program, if applicable, provide the following complaint information. The chart headings may be changed if needed to better reflect your agency's practices.

Not applicable.

A. Provide the following information at the beginning of each program description.

Name of Program or Function	Self-Sufficiency Fund
Location/Division	Workforce Development Division
Contact Name	Dale Robertson
Actual Expenditures, FY 2012	\$1,453,090
Number of Actual FTEs as of June 1, 2013	4.0
Statutory Citation for Program	Texas Human Resources Code, Chapters 31 & 34; Texas Labor Code §302.021 & §§309.001 et seq.; 40 TAC Chapter 811; 42 USC §601 et seq.; 45 CFR Part 260.

B. What is the objective of this program or function? Describe the major activities performed under this program.

The purpose of this program is to provide Self-Sufficiency Fund (SSF) grants to public community and technical colleges and community-based organizations (CBO) (501 (c)(3) non-profits) to implement customized job-training programs in cooperation with employers, to help low-income individuals and those receiving public assistance achieve self-sufficiency and independence.

The major activities of the SSF program include assisting eligible grantees with the development of projects that will allow target populations to be trained and obtain employment with participating business partners. This may include outreach to businesses to provide information on the benefits of the SSF program. Major activities also include working directly with Workforce Development Board partners to identify the target populations and possible eligible grantees.

Once the project scope is determined, the Business Outreach and Project Development Team provides technical assistance during the proposal development phase of the project. The Evaluation Team reviews and verifies the quality of the proposed project and sends it forward for TWC Executive Team review and approval. The Contract Management Team develops the contract for the approved project and manages the project until it is completed and closed out.

Monthly and quarterly reporting on financial and programmatic performance related to the fund also occur as major activities.

C. What evidence can you provide that shows the effectiveness and efficiency of this program or function? Provide a summary of key statistics and performance measures that best convey the effectiveness and efficiency of this function or program.

In the two years prior to FY2012 the SSF program experienced a significant reduction in the number of projects submitted and approved for funding. Consequently, limited data is available for review to demonstrate the efficiency and effectiveness of the program.

However, a study conducted by the TWC Labor Market and Career Information Department (LMCI), which covers a cohort of participants who exited the program during the 2009 – 2010 period shows that, for the 213 clients exiting in that period, their employment rate increased by 13 percent and their earnings grew by \$1,685. The study suggests that along with other factors it does appear that participating in a SSF project has a positive impact on the participants.

In FY2012:

- 15 SSF grants were awarded, 13 to foster youth projects and 2 to non-profit entities;
- 274 participants were contracted to receive services. To date 243 have received training. Of these 243 participants, 135 have become employed.

D. Describe any important history regarding this program not included in the general agency history section, including how the services or functions have changed from the original intent.

This program was created in 1997 in response to changes in laws affecting individuals dependent upon public assistance. The services and functions have not changed from the original intent of the law, but the program has been expanded to not only serve individuals already receiving public assistance but to also provide services to individuals at-risk of becoming dependent upon public assistance.

During FY2012, the agency embarked on a new initiative to provide services to foster youth transitioning out of the foster care system. Many times, these youth find themselves unprepared to live independently. The agency contracted with 14 foster youth transition centers around the state, providing support services through TANF-funded grants and providing job training through 13 SSF-funded grants. Many foster youth have been served through these projects that are providing them life-changing skills and in many instances, job training and work-skills that can transfer into full-time employment.

E. Describe who or what this program or function affects. List any qualifications or eligibility requirements for persons or entities affected. Provide a statistical breakdown of persons or entities affected.

The SSF program provides job training and support services to adult TANF recipients and those individuals at-risk of becoming dependent on public assistance. TWC also has in place SSF projects aimed at providing job training to foster youth transitioning out of foster care.

Qualifications and Eligibility Requirements:

- Eligible grant recipients are public community and technical colleges or CBO's that are 501 (c)(3) non-profit entities.
- Eligible participants in job training projects established with one of these grants must be adult-TANF recipients or individuals at-risk of becoming dependent on public assistance.
- A participating business partner must be in compliance with review performed by the TWC Regulatory and Integrity Division.

In FY2012:

- 15 SSF grants were awarded, 13 to foster youth projects and 2 to non-profit entities;
- 274 participants were contracted to receive services. To date 243 have received training. Of these 243 participants, 135 have become employed.

F. Describe how your program or function is administered. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures. Indicate how field/regional services are used, if applicable.

The Workforce Business Services Department, within the Workforce Development Division, administers the SSF program. Three teams are involved in the process:

- Business Outreach and Project Development Team: This team is responsible for working directly with the CBO, colleges and business partners by providing direct support to project development, including but not limited to:
 - Meeting with one or all entities and assisting with the development of the training plan and proposal.
 - Coordinating meetings with entities to discuss training plan and address potential issues.
 - Regular contact with local workforce development areas to ensure a referral process is in place to refer qualified clients to these projects.
 - Performing a quality control check on the proposal upon submission.
 - An internal timeline of 90-days has been put into place from the time of initial contact with college to the time of proposal submission, to ensure timely submission of proposals.
- Proposal Evaluation Team: This team is responsible for reviewing all proposals submitted for funding. Evaluation includes:
 - Ensuring that all program guidelines and requirements are met.
 - Reviewing the overall proposal to ensure feasibility and implementation of a training project within established guidelines and attainable goals.
 - An internal timeline of 10-days has been put into place to ensure a timely review of projects for implementation.
- Contract Management Team: This team is responsible for the day-to-day management of projects after they have been awarded and put into contracts. Management includes:
 - Development of contract documents utilizing standard templates.
 - Monthly review of reports to ensure training is on target;
 - Regular communications with grantee to ensure smooth progress of training and identification of any potential issues;
 - Review of program outcomes to confirm reasonable expenditures by grantee, as contracts are performance-based; and
 - Other items as needed.

G. Identify all funding sources and amounts for the program or function, including federal grants and pass-through monies. Describe any funding formulas or funding conventions. For state funding sources, please specify (e.g., general revenue, appropriations rider, budget strategy, fees/dues).

The SSF program is funded with federal Temporary Assistance for Needy Families funds referenced in Strategy 1.2.2 and 2.1.2 Technical Assistance. Expenditures in FY2012 totaled \$1,453,090.

H. Identify any programs, internal or external to your agency, that provide identical or similar services or functions to the target population. Describe the similarities and differences.

The SSF program is modeled after the Skills Development Fund (SDF) program, which is also administered by TWC and the Workforce Business Services Department. The primary difference

between the two programs is the requirement for participants under SSF to be TANF recipients or individuals at risk of becoming dependent on public assistance. Additionally, the SDF program has a statutory requirement that all participants be paid prevailing wage. Finally, due to the needs of the SSF populations, additional services that are not available under SDF are made available, such as support services, case management, assistance with transportation, and in some cases, training stipends.

In some instances, SSF clients may also receive services directly from the local workforce boards. However, boards are kept apprised of all new SSF projects in their areas to ensure that services are not duplicated but rather coordinated with the SSF grantee. All SSF Projects require the submission of a Local Workforce Development Board Review & Comments Form before funding, which ensures review by board and the identification by the board of any issues that may be of concern.

I. Discuss how the program or function is coordinating its activities to avoid duplication or conflict with the other programs listed in Question H and with the agency's customers. If applicable, briefly discuss any memorandums of understanding (MOUs), interagency agreements, or interagency contracts.

Because both programs are administered out of the same unit, Workforce Business Services, coordination and management of all contracts ensures that duplication is not occurring among grantees. Additionally, local projects are required to involve the Local Workforce Development Board in the review of projects. This process includes the submission of a formal review and comment form with all project proposals.

J. If the program or function works with local, regional, or federal units of government, include a brief description of these entities and their relationship to the agency.

Not applicable

K. If contracted expenditures are made through this program please provide:

- a short summary of the general purpose of those contracts overall;
- the amount of those expenditures in fiscal year 2012;
- the number of contracts accounting for those expenditures;
- top five contracts by dollar amount, including contractor and purpose;
- the methods used to ensure accountability for funding and performance; and
- a short description of any current contracting problems.

Not applicable.

L. Provide information on any grants awarded by the program.

In FY2012:

- 15 SSF grants were awarded, 13 to foster youth projects and two to non-profit entities;
- 274 participants were contracted to receive services. To date 243 have received training. Of these 243 participants, 135 have become employed.
- Contracts are entered into with eligible grantees upon successful review and award of proposed training projects. Contracts contain the general terms and conditions applicable to the program, as well as the reporting and program requirements the grantee has agreed to. These are

summarized in the Deliverables Section of the contract and are identified as deliverables to be met during the course of the contract. For SSF projects, deliverables include:

- Provision of a Performance and Expenditure Projection Plan that includes expenditure projections and performance benchmarks by which to measure progress of contract;
 - Provision of a written agreement with the contracted business partners;
 - The identification, training and placement or maintenance of employment of successful trainees with contracted or other business partners;
 - Provision of training for the number of training hours listed in the contract.
- In FY2012, expenditures directly related to these contracts amounted to \$1,316,531.
 - 15 contracts account for the above-mentioned expenditures.
 - The top five contractors by dollar amount, along with the purpose of the training project are:
 - **Houston Area Urban League, Inc., \$184,254.** The project included National Center for Construction Education and Research (NCCER) Core Construction and Basic Apprentice Trades training for construction trades and training for employment in retail pharmacy. Participants completing the construction trades training are credentialed through NCCER.
 - **H.I.S. Bridgebuilders, \$139,089.** The project provided hospitality, customer service, workplace communications, work readiness, safety, and basic Internet employment training to new workers in the hospitality industry. Training consisted of classroom and experiential training and onsite work experience.
 - **El Paso Human Services, Inc. – Pride Center, \$93,188.** The purpose of this project is to expand the Agency’s support of Foster Youth Transition Centers in providing training and employment opportunities to assist youth who are transitioning out of foster care in achieving their workforce goals.
 - **12 Separate SSF awards to different Foster Youth Transition Centers located around the state at a dollar amount of \$75,000 each.** The purpose of these different projects is to expand the Agency’s support of Foster Youth Transition Centers in providing training and employment opportunities to assist youth who are transitioning out of foster care in achieving their workforce goals.
 - To ensure accountability, several parameters are put into place. During the project development and review process, costs are reviewed carefully to ensure that they are within range of targeted cost requirements. Additionally, the evaluation team compares costs to other like projects and works with the college when anomalies are identified. Once a project is approved and a contract in place, the grantee is required to submit monthly reports that contain detailed information on training provided and progress in meeting contract deliverables. These reports are reviewed and evaluated monthly by contract managers, and during monthly meetings with TWC’s Workforce Division Management. Follow-up is conducted by contract managers when variances greater than 20% in progress or anomalies are reported. When contract deliverables, such as performance indicates the need for training or technical assistance, TWC initiates both. Reimbursement is performance-based and requested electronically through the agency’s Cash Draw and Expenditure Reporting (CDER) system and annually, TWC monitors visit grantees onsite and perform monitoring reviews ensuring compliance with all program requirements.
 - The targeted populations receiving services under these grants are difficult to serve because of their life circumstances. Many times, projects encounter difficulty in maintaining participant engagement, thus the need for additional support services. The foster youth SSF projects have struggled with the development of job training projects for the provision of training and employment of foster youth. The TWC outreach and development teams continue to work closely with these centers in identifying potential business partners and developing job training projects that could lead to employment.

M. What statutory changes could be made to assist this program in performing its functions? Explain.

None at this time.

N. Provide any additional information needed to gain a preliminary understanding of the program or function.

Not applicable.

O. Regulatory programs relate to the licensing, registration, certification, or permitting of a person, business, or other entity. For each regulatory program, if applicable, describe:

- why the regulation is needed;
- the scope of, and procedures for, inspections or audits of regulated entities;
- follow-up activities conducted when non-compliance is identified;
- sanctions available to the agency to ensure compliance; and
- procedures for handling consumer/public complaints against regulated entities.

Not applicable

P. For each regulatory program, if applicable, provide the following complaint information. The chart headings may be changed if needed to better reflect your agency's practices.

Not applicable

A. Provide the following information at the beginning of each program description.

Name of Program or Function	Trade Adjustment Assistance (TAA)
Location/Division	Workforce Development Division
Contact Name	John L. Ownby
Actual Expenditures, FY 2012	\$9,853,399
Number of Actual FTEs as of June 1, 2013	28.3
Statutory Citation for Program	Texas Labor Code, §302.021; 40 TAC Chapter 849; Trade Act of 1974, Title II, as amended, 19 USC §§ 2271-2275, §§2291-2298, & §§2311-2323; Trade Act of 2002, P.L. 107-210; 20 CFR 617 & 618; 29 CFR 90.

B. What is the objective of this program or function? Describe the major activities performed under this program.

The Trade Adjustment Assistance (TAA) Program is a federal entitlement program that assists U.S. workers who have lost or may lose their jobs as a result of foreign trade. This program seeks to provide adversely affected workers with opportunities to obtain the skills, credentials, resources, and support necessary to become reemployed. Benefits and services supported through TAA include:

- Employment and Case Management Services including skills assessments, career counseling, supportive services, information on training, and more;
- Occupational and Remedial Training where suitable employment is not available to the worker;
- Trade Readjustment Allowances (TRA) which provide income support to trade affected workers who are in full time training;
- Reemployment Trade Adjustment Assistance wage subsidy for up to 2 years available to workers age 50 or over who are reemployed at annual wages of \$50,000 or less;
- Health Coverage Tax Credit covering a portion of the worker's monthly premium for qualified health insurance;
- Out of Area Job Search Allowances providing reimbursement for job search costs outside the worker's local area; and
- Relocation Allowances providing reimbursement for relocation costs for a job outside the worker's local area.

C. What evidence can you provide that shows the effectiveness and efficiency of this program or function? Provide a summary of key statistics and performance measures that best convey the effectiveness and efficiency of this function or program.

The primary goal of TAA service provision is to transition workers affected by trade events to suitable employment as quickly as possible. For the purposes of TAA, suitable employment is defined as employment with a wage level of at least 80% of the workers preceding trade affected employment.

The 2012 Trade Adjustment Assistance Annual Report reflects the following performance metrics for customers receiving one or more TAA supported services or benefits:

- 73% entered employment after TAA participation¹;
- 92% employment retention rate²; and
- 88% wage recovery³.

¹Entered Employment by the End of the First Quarter after Ending Participation in TAA Program October 1, 2010 – September 30, 2011

²Employment Retention reflects workers who entered employment by the end of the first quarter after ending participation in TAA program, April 1, 2010 – March 31, 2011. Methodology employed reflects the percentage of workers who had wages, as reflected in the UI wage record data, in all three quarters after leaving the TAA program.

³Wage recovery based upon wages reported in UI wage record data during the second and third quarters preceding participation and this same data reflected during the second and third quarter after exit.

D. Describe any important history regarding this program not included in the general agency history section, including how the services or functions have changed from the original intent.

The Trade Act of 1974, as amended, has its roots in the Trade Expansion Act of 1962, which provided assistance to workers impacted by foreign imports. Since the enactment of the Trade Act of 1974, it has been amended multiple times:

- Trade Adjustment Assistance Reform Act of 2002
- Trade and Globalization Adjustment Assistance Act of 2009
- Trade Adjustment Assistance Extension Act of 2011

While these amendments to the Trade Act did not change its intent, the availability of some services and benefits have been modified. For example, the maximum duration of training and support payments have varied according to the law under which the dislocation was certified:

- Trade Act of 1974: 104 weeks
- Trade Adjustment Assistance Reform Act of 2002: 130 weeks
- Trade and Globalization Adjustment Assistance Act of 2009: 156 weeks
- Trade Adjustment Assistance Extension Act of 2011: 130 weeks

Similarly, reimbursement rates for out-of-area job search, relocation allowances, and the wage supplement benefit and the Health Care Tax Credit provisions vary according to the Trade law in effect at the time of certification.

In addition to variation in benefits and services, the sectors of the economy which are covered by Trade Adjustment Assistance legislation have changed across the years. The 1974 and 2002 versions of this legislation were primarily concerned with manufacturing. The 2009 version of the law afforded TAA benefits and services to the manufacturing, service sector and public sectors of the economy. The 2011 law continued coverage for manufacturing and the services sector, but discontinued all coverage for dislocations occurring in the public sector.

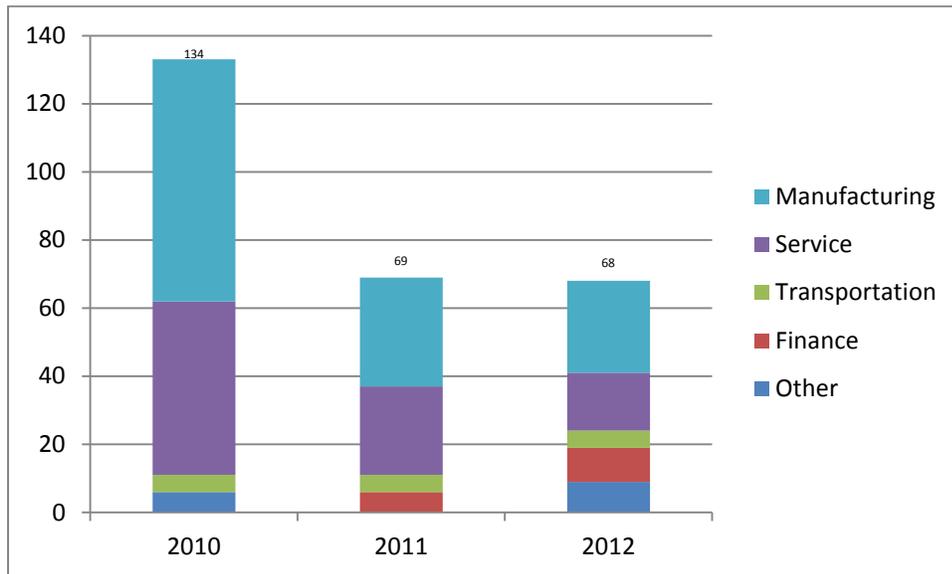
With the enactment of the 2009 amendments, provisions were incorporated into the Trade law providing for support of case management services for TAA customers. Prior to that, TAA was reliant upon partner programs, such as the Workforce Investment Act and Wagner-Peyser, for the provision of these services. The availability of case management resources under TAA continues with the 2011 Trade law.

E. Describe who or what this program or function affects. List any qualifications or eligibility requirements for persons or entities affected. Provide a statistical breakdown of persons or entities affected.

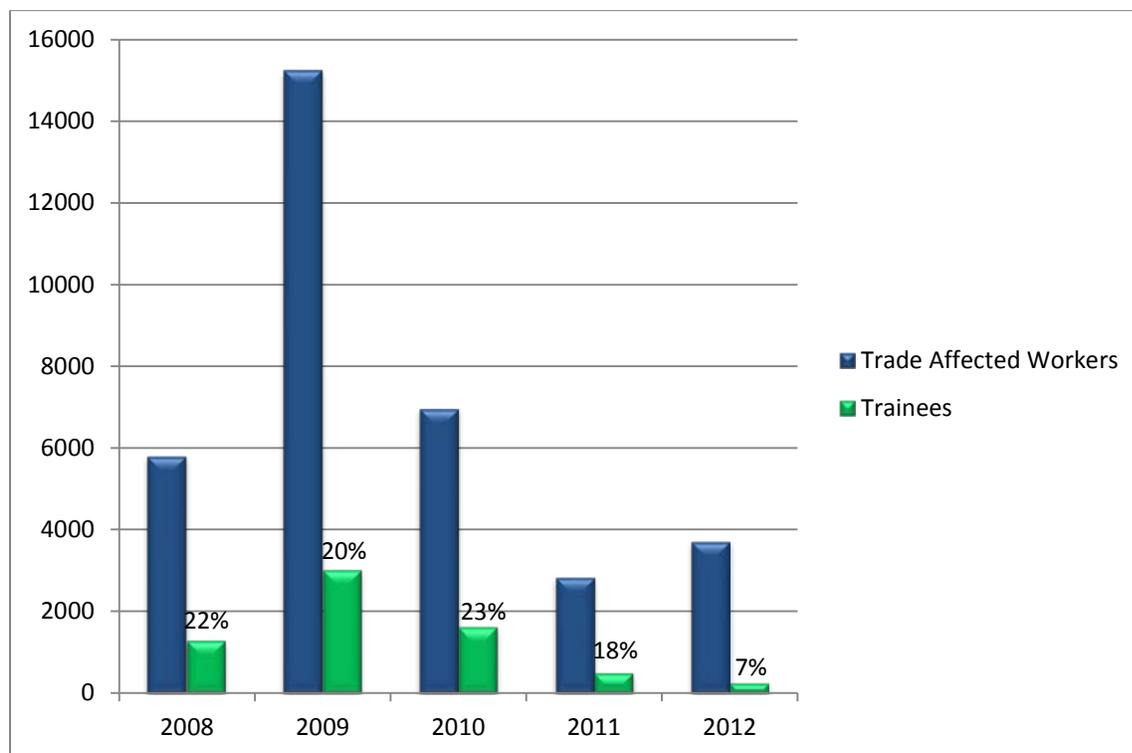
TAA services and benefits are available to workers whose jobs are lost or threatened due to trade-related circumstances, as determined by the US Department of Labor (DOL). Eligibility is a two-tier process:

- A petition must be submitted by the employer, labor union, group of three workers, or state workforce agency to DOL applying for group of workers to be certified under the Trade Act. After the investigation, DOL determines group eligibility to apply for TAA benefits and services;
- Upon notice of a positive DOL determination, TWC contacts the employer to secure employment and separation information on the group of workers covered by the certification to determine worker potential eligibility. While other states require individuals to apply and eligibility is done on a case-by –case basis, the Texas process seeks to expedite eligibility for all members of the affected work group and establishes eligibility for each member of the group;
- Workers in a certified group are then notified by TWC, at which time they may request individual benefits and services.

Certifications issued by DOL, and the subsequent eligibility of groups of workers, are driven by market forces, and as such, they tend to vary across time. A graphic representation of recent TAA certifications issued by DOL follows:



Individual worker eligibility and participation in TAA training services based upon separation date is reflected on the following chart and table:



State Fiscal Year	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Trade Affected Workers	5,827	15,241	6,988	2,871	3,747
Trainees	1,301	2,999	1,618	503	259
Training Participation Rate	22%	20%	23%	18%	7%

F. Describe how your program or function is administered. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures. Indicate how field/regional services are used, if applicable.

TWC is the state level administering agency for integrated workforce services which includes TAA, and is part of a statewide network dedicated to developing the workforce system in Texas. The network is composed of the statewide efforts of TWC coupled with planning and service provision on a regional level by 28 Local Workforce Development Boards.

Unlike other workforce programs which are administratively overseen by TWC and contracted to the 28 Boards, TWC provides both administrative oversight and employs the staff providing direct services (DOL mandates that TAA funds to support case management are limited to state merit staff). TWC employs approximately 20 TAA staff, who are located in designated Workforce Solutions Offices throughout the state (in those areas with higher numbers of TAA customers).

TWC and the Boards work closely to make TAA benefits and services available to trade impacted workers.

- TWC state level staff in the Workforce Development determine TAA eligibility for groups of workers
- TWC staff located in Workforce Solutions Offices, provides case management services for TAA customers, including the development of training plans. This also includes the identification of needed Job Search Allowances or Job Relocation Allowances. Local staff facilitate the submission of information to TWC state level staff, who make final decisions on the issuance of such Allowances.
- TWC's UI staff make determinations regarding eligibility to receive Trade Readjustment Assistance (support payments while in training), Reemployment Trade Adjustment Assistance (wage supplement program for older workers), and Health Coverage Tax Credit

TWC contracts with each of the 28 Boards to administer the training funds for TAA customers.

G. Identify all funding sources and amounts for the program or function, including federal grants and pass-through monies. Describe any funding formulas or funding conventions. For state funding sources, please specify (e.g., general revenue, appropriations rider, budget strategy, fees/dues).

The TAA program is funded with federal TAA funds referenced in 2012 LAR Strategy 1.1.6 and 2.1.2 Technical Assistance. Expenditures in FY2012 totaled \$9,853,399

Funds allocated to the local workforce development areas are governed by TWC rules as set forth in 40TAC, §800.66. <http://www.twc.state.tx.us/twcinfo/rules/ch800.pdf>.

H. Identify any programs, internal or external to your agency, that provide identical or similar services or functions to the target population. Describe the similarities and differences.

Integrated services, particularly those under the Workforce Investment Act (WIA) Dislocated Worker program, support services for trade affected workers. Both TAA and WIA have the similar purpose of enhancing the worker's employability, but the range of activity and the benefits under TAA are more extensive. However, WIA does offer some benefits that are not available through TAA, and for this reason, many trade-impacted workers eligible under TAA are also co-enrolled in WIA.

I. Discuss how the program or function is coordinating its activities to avoid duplication or conflict with the other programs listed in Question H and with the agency's customers. If applicable, briefly discuss any memorandums of understanding (MOUs), interagency agreements, or interagency contracts.

TWC has rules specific to the coordination of services between TAA and WIA Dislocated Workers, as set forth in 40 TAC, Chapter 849. The Boards are involved in the administration of both programs, and ensure TAA and WIA Dislocated Worker services are used in an integrated manner, and are not duplicative. In addition, customer records for TAA and WIA are maintained in the Workforce Information System of Texas (TWIST), TWC's automated statewide, case management system which assures that service provision is coordinated and duplication is avoided.

J. If the program or function works with local, regional, or federal units of government, include a brief description of these entities and their relationship to the agency.

The U.S. Department of Labor administers the TAA program.

K. If contracted expenditures are made through this program please provide:

- a short summary of the general purpose of those contracts overall;
- the amount of those expenditures in fiscal year 2012;
- the number of contracts accounting for those expenditures;
- top five contracts by dollar amount, including contractor and purpose;
- the methods used to ensure accountability for funding and performance; and
- a short description of any current contracting problems.

Not applicable.

L. Provide information on any grants awarded by the program.

In FY'12 TWC established Program Grant/Cooperative Agreements with 28 Boards. The purpose was to ensure that the Boards design systems, subcontracts and structures that support the goal of Trade services which is to provide adversely affected workers with opportunities to obtain the skills, credentials, resources, and support necessary to become reemployed as described in The Trade Act of 1974, as amended (Pub.L. 93-618, 88 Stat. 1978, codified at 19 U.S.C. ch. 12, and 20 CFR Part 617 and 20 CFR Part 618)

TWC contracts with each of the 28 Boards to administer some TAA services. The amount of TAA expenditures in FY 2012 was \$9,853,399.

TWC has successfully crafted a monitoring and performance accountability system that works to maximize results for employers and job seekers using the workforce system. TWC regularly monitors performance results to assist Boards in meeting their performance goals and objectives. Performance accountability and monitoring represent continuing opportunities to bring optimal service to customers.

As a part of the Regulatory Integrity Division, the Performance, Analysis, and Reporting (PAR) department is responsible for all workforce reporting. PAR provides timely, accurate, understandable information and analyses relevant to the performance, accountability, and integrity of the Texas workforce system. PAR's reporting ensures TWC management has the information necessary to make policy decisions that will help the system meet or exceed performance expectations.

TWC continuously analyzes performance reports and compares actual performance with grant benchmarks. Categorical program data is gathered and relevant reports are generated by Boards and are made available on the TWC website. A snapshot of each Board's performance data and other key indicators is accessible by state and local staff. Because other data, such as labor market information, is also made available, this data source may be used to develop strategies for system and performance improvement.

The Agency's Sub-Recipient Monitoring Unit, which is part of the Regulatory Integrity Division, develops risk assessments and monitors Boards' compliance with programmatic and financial

requirements associated with TAA service provision. On site monitoring activities conducted by the Sub-Recipient Monitoring unit are designed to identify opportunities to enhance program performance and strengthen control systems. Formal reports are generated for each monitoring visit, and are used as a basis to formulate remedial action plans and technical assistance provision where necessary.

The Workforce Development Division director conducts monthly performance and expenditure reviews with the division's technical assistance and contract management staff. These reviews of each Board and other grantees ensure that timely corrective actions are taken. When performance indicates the need for training or technical assistance, TWC initiates both.

TWC Commissioners also conduct quarterly performance and expenditure meetings, available by audio webcast, to ensure that Boards are meeting their contractual performance obligations, and that programs administered by TWC are meeting performance expectations. Using performance measures to manage and monitor grants allows TWC to emphasize quality.

M. What statutory changes could be made to assist this program in performing its functions? Explain.

None at this time.

N. Provide any additional information needed to gain a preliminary understanding of the program or function.

Not applicable.

O. Regulatory programs relate to the licensing, registration, certification, or permitting of a person, business, or other entity. For each regulatory program, if applicable, describe:

- why the regulation is needed;
- the scope of, and procedures for, inspections or audits of regulated entities;
- follow-up activities conducted when non-compliance is identified;
- sanctions available to the agency to ensure compliance; and
- procedures for handling consumer/public complaints against regulated entities.

Not Applicable.

P. For each regulatory program, if applicable, provide the following complaint information. The chart headings may be changed if needed to better reflect your agency's practices.

Not Applicable.

A. Provide the following information at the beginning of each program description.

Name of Program or Function	Texas Veterans Leadership Program
Location/Division	Workforce Development Division
Contact Name	Bob Gear
Actual Expenditures, FY 2012	\$1,297,922
Number of Actual FTEs as of June 1, 2013	20.2
Statutory Citation for Program	None

B. What is the objective of this program or function? Describe the major activities performed under this program.

The Texas Veterans Leadership Program (TVLP) is a Texas Workforce Commission (TWC) resource and referral network connecting returning veterans of Iraq and Afghanistan with the resources and tools they need to lead productive lives and enjoy the full benefits of the society they have willingly served. TVLP is not designed to outreach veterans who are already familiar with and using resources available to them such as workforce services at Workforce Solutions Offices or with the Texas Veterans Commission (TVC), or services available through the U.S. Department of Veterans Affairs. The TVLP seeks out returning veterans who have served in Operation Iraqi Freedom (OIF) and/or Operation Enduring Freedom (OEF) (Afghanistan), who are experiencing difficulties readjusting to civilian life, impacting their ability to obtain employment.

TVLP representatives, known as Veterans Resource and Referral Specialists (VRRS), are assigned to each of the 28 local workforce development areas, to work closely with Workforce Solutions Office staff, staff and TVC staff. All VRRS are veterans of Iraq and/or Afghanistan. This network of returning veterans plays an integral role in addressing the needs of other returning veterans.

The key component to TVLP is the peer-to-peer mentoring. Returning OIF/OEF veterans identify with the VRRS, they know they are working with someone who has been in their situation. This credibility leads to veterans opening up and revealing the real issues that are affecting their transition from the battlefield to civilian life. The trust that is gained has led to the VRRS dealing with serious issues ranging from homelessness, financial assistance, criminal backgrounds, health care, mental health, and suicide prevention and in some cases intervention. The VRRS are the experts in their local Workforce Development Board Area regarding community resources that can assist the veterans with their issues and challenges.

C. What evidence can you provide that shows the effectiveness and efficiency of this program or function? Provide a summary of key statistics and performance measures that best convey the effectiveness and efficiency of this function or program.

From July 1, 2008 through June 20, 2013, the TVLP has contacted 13,827 OIF/OEF veterans and provided referrals to 11,518 veterans. TWC has mailed over 71,510 letters to returning veterans thanking them for their service to our country and informing them of the TVLP and veteran services offered at Workforce Solution Offices across the state.

During this same period, the TVLP has conducted outreach to 215 colleges/universities/training providers, 184 community leaders, 397 community service organizations, 1008 employers, 113 faith-based organizations, 621 contacts in multiple governmental organizations, 155 military units down to platoon and section level, and 268 Veteran Service Organizations including Posts and Districts. The TVLP has made 152 media contacts outreaching hundreds of thousands of veterans by conducting radio, TV, magazine, and newspaper interviews and stories, including a feature article in the USA Today.

The TVLP has completed nearly 1,000 Work Opportunity Tax Credits conditional certificates, providing each veteran with a letter of certification to use as an incentive for employers to hire veterans.

The TVLP has built and maintained an outstanding relationship with the Department of Texas VFW. Since July 2008, veterans referred to the Texas VFW Foundation have received more than \$150,000 in financial assistance to help pay medical bills, auto repairs, rent, and utilities. In May 2013, the Texas VFW asked the TVLP for help in identifying OIF/OEF veterans in need of a car, SUV, or truck. The TVLP identified veterans in Austin, Dallas, San Antonio, and Houston who met the requirements set forth by Progressive Insurance Co. and the VFW. Four veterans were selected from the veterans referred to receive refurbished cars/trucks/SUVs. The veterans were awarded the vehicles on June 12, 2013.

D. Describe any important history regarding this program not included in the general agency history section, including how the services or functions have changed from the original intent.

Not applicable

E. Describe who or what this program or function affects. List any qualifications or eligibility requirements for persons or entities affected. Provide a statistical breakdown of persons or entities affected.

TVLP offers information and referral services to OIF/OEF veterans by directing them to employment, training, medical care, mental health and counseling services. As of June 20, 2013, TVLP had provided 30,198 referrals to the 11,941 OIF/OEF veterans.

F. Describe how your program or function is administered. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures. Indicate how field/regional services are used, if applicable.

TWC is the state level administering agency for integrated workforce services which includes TVLP, and is part of a statewide network dedicated to developing the workforce system in Texas. The network is composed of the statewide efforts of TWC coupled with planning and service provision on a regional level by 28 Local Workforce Development Boards.

TWC provides administrative oversight, and employs the VRRS providing TVLP services.

TWC provides operating grants to each of the 28 Boards to support the ES staff in their workforce area.

G. Identify all funding sources and amounts for the program or function, including federal grants and pass-through monies. Describe any funding formulas or funding conventions. For state funding sources, please specify (e.g., general revenue, appropriations rider, budget strategy, fees/dues).

The TVLP is funded with federal Wagner-Peyser Employment Services funds in 2012 LAR Strategy 1.1.4 and 2.1.2 Technical Assistance . Expenditures in FY2012 totaled \$1,297,922.

H. Identify any programs, internal or external to your agency, that provide identical or similar services or functions to the target population. Describe the similarities and differences.

The Texas Veterans Commission (TVC) administers the Veterans State Grant, authorized under Title 38 U.S.C., Chapter 41. This grant provides funds to exclusively serve veterans, other eligible persons, transitioning service members, their spouses and, indirectly, employers. TVC staff provides services to eligible veterans, but prioritizes those who have been identified as most in need of intensive employment and training assistance.

The Texas Veterans Leadership Program works with veterans who fought in Operation Enduring Freedom, Operation Iraqi Freedom, and Operation New Dawn. Veteran Resource and Referral Specialist gain the trust of and build relationships with returning veterans through peer-to-peer mentorship, addressing and working through the issues and challenges leading to the veterans having a successful transition from the battlefield to civilian life. VRRSs have the ability to handle multiple issues or situations the returning veterans face due to their knowledge and ability to network with veteran resources in their community. VRRSs will take the time that is required to overcome specific obstacles that hinder the returning veterans’; ability to successfully transition. VRRS routinely handle multiple veteran issues at once, cut through red tape, and manage local community veteran resources; a major difference between the TVLP and TVC.

I. Discuss how the program or function is coordinating its activities to avoid duplication or conflict with the other programs listed in Question H and with the agency’s customers. If applicable, briefly discuss any memorandums of understanding (MOUs), interagency agreements, or interagency contracts.

TVLP is not intended to serve veterans already engaged and working with the workforce system or TVC. TVLP enhances services provided by TVC by providing peer to peer outreach to OIF/OEF veterans. TVLP provides information and referral services—which may include referral to TVC.VRRSs also help the veterans navigate through the different resource systems and keep the veterans on track in achieving their goals. With the TVLP and TVC working together, this allows TVC staff to spend the time they need to assist the veteran with employment. It allows the TVLP to concentrate on finding the resources to address the other needs and concerns.

TVC and TVLP representatives are often co-located in Workforce Solutions offices. This allows not only excellent coordination between the two programs but also allows for coordination of resources available at the Workforce Solutions office. For example, VRRSs routinely work with program staff at the Workforce offices ensuring that program staff is aware of the different veteran benefits, such as veteran education benefits. For example, the VRRSs ensure that the veteran utilizes his or her GI Bill benefits, so that funding is available to train other job seekers who qualify for WIA training programs.

The TVLP and TVC have a good working relationship. The TVLP refers veterans to the specific TVC programs and other community veteran resources. The result of the VRRSs working the returning veterans on multiple issues is that programs like TVC, the VA's Vet Center, and Veteran County Service Officers have time to assist more veterans because they are focused on their core duties. The most important result is that the veterans are receiving the assistance they.

J. If the program or function works with local, regional, or federal units of government, include a brief description of these entities and their relationship to the agency.

Veteran Resource and Referral Specialists network with local, regional, state, and federal governmental agencies that provided services or other resources to veterans and their families.

The relationship the TVLP has with the Department of Veteran Affairs is broken down into different categories in each of the 28 Workforce Development Board areas. Not every Workforce Development Board Areas has the same Veteran Affairs Departments. The Department of Veteran Affairs is has three major departments and financial operations centers.

I. Veterans Health Administration.

- a. VRRS brief OIF/OEF veterans on the VA Health Care System which is broken down into Veteran Integrated Network Systems. The VA VISN's contain VA Hospitals, Clinics, and Veteran Centers.
- b. VRRSs work primary with the VA's OIF/OEF case managers to get OIF/OEF veterans enrolled in the five-year combat-related health care program. They also coordinate different veteran resources such as financial assistance with the OIF/OEF case managers.
- c. VRRSs have also worked with other VA medical staff to address issues the veteran is experiencing or complaints the veterans have in relation to the VA.
- d. VRRS network and build relationships with the OIF/OEF Outreach Specialist of the Vet Centers in their Board Area. The Vet Centers provide free counseling to combat veterans. The relationship the TVLP has established has been critical in successfully preventing a number of suicide attempts and working with OIF/OEF veterans that are homeless.

II. Veterans Benefit Administration. The VBA administers the GI Bill, Post 9/11 GI Bill, VA Home Loan Guarantee, Compensation Claims, and Vocational Rehabilitation. VRRS inform OIF/OEF veterans of these different benefits, how to apply for the benefits, and the points of contacts that assist the veterans in using the benefits. For example, VRRSs network and know how the VA certifying officials at the different VA approved schools or training providers in their Board Areas. VRRSs work with the certifying officials to make the process of the veterans enrolling in school as easy as possible. VRRSs also know realtors in their Board Areas that are knowledgeable on the VA Home Loan.

- a. VRRSs are required to know the VA's Vocational Rehabilitation Counselors if they have them in their Board Areas. VRRS coordinate with the counselors to address the Veterans educational and or employment needs.
- b. VRRSs have become extremely knowledgeable of the GI Bill and Post 9/11 GI Bill. VRRSs have assisted veterans in applying for their educational benefits, worked with educational institutions to develop student veteran programs, assisted employers in becoming a VA approved on-the-job training provider, and have assisted small training institutions in becoming a VA-approved training provider.
- c. VRRSs are required to network and build relationships with county, Veteran Service Organization, and Texas Veterans Commission Service Officers. The service officers file the veteran's compensation claims with the VA. Next to educational benefits, questions

regarding compensation are the ones the VRRSs answer or refer veterans for services most often. The relationships built encourage the veterans to trust the Service Officer.

III. Burial and Memorial Benefits.

- a. VRRSs have worked with the VA, National Archives, and Branches of the Armed Forces to obtain the deceased veteran's DD 214. This allows the veteran to be buried in VA or state veteran cemeteries. It also allows the family to receive burial benefits as well as memorial benefits; Headstone and Markers, Presidential Certificate, and Flag.

IV. Financial Center Operations: The Financial Center in Austin has been a great partner in training TVLP staff in how veterans should write their federal applications. The relationship has also lead to 10 veterans being hired by the VA and contractor who operate the Financial Center.

Other local, state and federal government entities that TVLP coordinates with include:

Veteran County Service Officers (VCSO): VRRSs build relationships and work with VCSOs within workforce development board areas. VRRSs referral OIF/OEF veterans to the VCSOs to help them file their compensation claims, appeals, or compensation claim increases. VCSOs and VRRSs often work together to assist the veteran with employment, education and training, financial, food, or housing needs. They inform one another of changes to veterans benefits, laws, and policies.

County Judges and Commissioners: VRRS work with county judges and commissioners to inform them of the different veteran resources located in their counties. Many times VRRSs introduce veteran service organizations or other veteran-related non-profits to judges and commissioners. In some counties, VRRSs work with county officials to support national guard or reserve units.

City Governments: VRRSs work with city officials in the respective board areas. In some circumstances, they inform city leaders of the veteran resources in their city. VRRSs have worked with cities develop veteran hiring programs or initiatives. In some cities VRRSs constantly work with and coordinate activates with the city's veterans representative. Activities include parades, employment seminars, homeless veterans stand downs, financial assistance, education and training, and other state or federal benefits.

Department of the Army and U.S. Department of Labor: TVLP through TWC applied for and received a \$750,000 grant to conduct a joint pilot project with the U.S. Department of Labor (DOL) and the Department of the Army. The purpose of the grant is to develop Enhanced Employment Outreach and Services to Soldiers and Army veterans. The goal is to get soldiers employed before they separate and to get army veterans employed as quickly as possible after they separate from the army. The secondary goal is to establish electronic means of sharing data between TWC's Unemployment Insurance Division and the Department of the Army.

TWC/TVLP has partnered with the Texas Veterans Commission Employment Services, Texas Military Forces, the Job Connection and Education Program, Employment Support for the Guard and Reserve, VA Veteran Centers, Department of Texas Veterans of Foreign Wars, Department of Texas American Legion, the 75th Mobile Training Command Army Reserve, Transition Centers at Fort Hood and Fort Bliss, and employers. All of these organizations are a part of the State Texas Soldier Employment Initiative, sharing information, and working together to assist soldiers and army veterans with employment.

K. If contracted expenditures are made through this program please provide:

- a short summary of the general purpose of those contracts overall;
- the amount of those expenditures in fiscal year 2012;
- the number of contracts accounting for those expenditures;
- top five contracts by dollar amount, including contractor and purpose;
- the methods used to ensure accountability for funding and performance; and
- a short description of any current contracting problems.

Not applicable

L. Provide information on any grants awarded by the program.

Not applicable.

M. What statutory changes could be made to assist this program in performing its functions? Explain.

None at this time.

N. Provide any additional information needed to gain a preliminary understanding of the program or function.

Not applicable

O. Regulatory programs relate to the licensing, registration, certification, or permitting of a person, business, or other entity. For each regulatory program, if applicable, describe:

- why the regulation is needed;
- the scope of, and procedures for, inspections or audits of regulated entities;
- follow-up activities conducted when non-compliance is identified;
- sanctions available to the agency to ensure compliance; and
- procedures for handling consumer/public complaints against regulated entities.

Not applicable

P. For each regulatory program, if applicable, provide the following complaint information. The chart headings may be changed if needed to better reflect your agency's practices.

Not applicable.

A. Provide the following information at the beginning of each program description.

Name of Program or Function	Workforce Investment Act
Location/Division	Workforce Development Division
Contact Name	Debbie Carlson
Actual Expenditures, FY 2012	\$167,355,593
Number of Actual FTEs as of June 1, 2013	60.9
Statutory Citation for Program	Texas Labor Code, §302.021 & §301.063; 40 TAC Chapters 841 & 801; 29 USC §§2801 et seq.; 29 USC §§49 et seq.; 42 USC 501 et seq.; 20 CFR Part 652.

B. What is the objective of this program or function? Describe the major activities performed under this program.

The Workforce Investment Act (WIA) supports a market-driven system through the provision of services for Adults, Dislocated Workers and Youth. Services are designed to meet employers' and job seekers needs. The Workforce Investment Act (WIA) supports a market-driven system through the provision of services for Adults, Dislocated Workers, and Youth. Services are designed to meet the unique needs of employers and job seekers. WIA calls for extensive collaboration between local Workforce Development Boards (Boards), employers, community partners, and industry associations, resulting in services that respond to employers' demands for qualified workers and meet the needs of the local labor market. Employers receive additional support through job posting and job matching services, applicant screening and referrals, and assistance during a plant closing or mass layoff.

WIA also provides a continuum of job seeker services:

- Universal (core) services for individuals seeking assistance in their job search, which may consist of the following:
 - Orientation to information available through the Texas Workforce system
 - Initial assessment of skill levels, aptitudes, and abilities
 - Supportive services (such as transportation and child care)
 - Job search and placement assistance
 - Career counseling
 - Labor market information (LMI)
 - Follow-up services that assist workers to maintain employment and progress to higher paying jobs
- Intensive services for individuals deemed in need of additional assistance in order to become employed, which may include:
 - Out-of-area job search
 - Short-term literacy activities related to basic workforce readiness
 - Internships
 - Work experience

- Training services for individuals deemed in need of training in order to become employed or retain employment, which may include:
 - Occupational skills training
 - On-the-job or customized training
 - Training that combines classroom instruction with workplace training
 - Training provided by the private sector
 - Skill upgrading and retraining
 - Entrepreneurial training
 - Adult education and literacy activities provided in combination with the occupational skills training described above

WIA also provides support services such as child care, transportation, and work-related expenses when needed by the individual to work or participate in a WIA-funded activity.

Additionally, WIA provides year-round employment and training services for economically disadvantaged youth (ages 14–21) who establish and work toward educational and career goals. WIA youth programs are designed to provide youth with the following:

- An objective assessment, including review of academic and occupational skill levels and service needs
- An individual service strategy, including an age-appropriate career goal
- Preparation for postsecondary educational opportunities
- Linkages between academic and occupational learning

C. What evidence can you provide that shows the effectiveness and efficiency of this program or function? Provide a summary of key statistics and performance measures that best convey the effectiveness and efficiency of this function or program.

The following charts reflect the June to July Program Year (PY)'10, PY'11, and PY'12 year-end performance data for WIA customers:

WIA ADULT PERFORMANCE GOALS

Program/Measure	PY'10 Performance	PY'11 Performance	PY'12 Performance
Entered Employment	65.3%	66.41%	64.6%
Employment Retention	83.2%	81.74%	81.6%
Average Earnings	\$17,323	\$15,283	\$12,500

WIA DISLOCATED WORKER PERFORMANCE GOALS

Program/Measure	PY'10 Performance	PY'11 Performance	PY'12 Performance
Entered Employment	73.3%	74.91%	71.7%
Employment Retention	88.7%	89.31%	88.3%
Average Earnings	\$17,563	\$18,558	\$18,235

WIA YOUTH PERFORMANCE GOALS

Program/Measure	PY'10 Performance	PY'11 Performance	PY'12 Performance
Attainment of Degree or Certificate	63.8%	64.08%	63.3%
Placement in Employment or Education	64.8%	65.24%	64.9%
Literacy & Numeracy Gains	47.2%	50.94%	50.5%

D. Describe any important history regarding this program not included in the general agency history section, including how the services or functions have changed from the original intent.

The Workforce Investment Act was enacted in 1998 and superseded the Job Training Partnership Act. This legislation reformed federal job training programs and created a comprehensive, customer-focused workforce investment system. The cornerstone of the law is the One-Stop Service Delivery Network that unifies numerous employment, training, education, and human service programs into a single, customer-friendly system in each community.

WIA offered Texas the opportunity to maintain the best features of its existing workforce development system and to build upon its successes by allowing the state to "grandfather" the basic provisions in HB 1863 (74th Regular Session). WIA presented an opportunity to continue integrating services, eliminate programmatic distinctions in Workforce Solutions Offices, enhance customer choice, increase provider accountability, and, most of all, help more Texans gain economic prosperity. Prior to WIA, Texas implemented the key principles of local control and accountability through H.B. 1863, the state's workforce development law.

E. Describe who or what this program or function affects. List any qualifications or eligibility requirements for persons or entities affected. Provide a statistical breakdown of persons or entities affected.

Boards are required to determine WIA eligibility as follows:

Adults - Individuals (ages 18 or older) who are citizens or eligible non-citizens and, if male, registered with Selective Service, and are eligible to receive services under WIA. Priority for intensive and training services goes to adults who are recipients of public assistance or other low-income individuals unless the local area has determined that funds are not limited.

Dislocated Workers – Persons who have lost their jobs in mass layoffs and plant closures, or have been laid off and are unlikely to return to their jobs are eligible for services.

Rapid Response assists dislocated workers following either a permanent closure or mass layoff, or a natural or other disaster resulting in a mass job dislocation.

Youth – Youth between the ages of 14-21, low-income, and who meet at least one of six specific barriers to employment are eligible for year-round services. Older youth ages 18-21 may also enroll and receive services as adults. In addition, WIA requires that 30 percent of a Board's youth allocation be spent on out-of-school youth. Up to five percent of youth participants are not required to meet income criteria if they have one or more specified barriers to school completion or employment.

F. Describe how your program or function is administered. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures. Indicate how field/regional services are used, if applicable.

TWC is the state-level administering agency for integrated workforce services which includes WIA, and is part of a statewide network dedicated to developing the workforce system in Texas. The network is composed of the statewide efforts of TWC coupled with planning and service provision on a regional

level by 28 Local Workforce Development Boards.

TWC provides administrative oversight, but does not directly administer WIA services. TWC administers the program by:

- Developing policy for WIA services (as set forth in TWC's WIA rules in 40 TAC Chapter 841)
- Interpreting and implementing the requirements of state and federal statutes and regulations
- Providing technical assistance, allocating funds to Boards
- Establishing Board performance targets

TWC contracts with each of the 28 Boards to administer WIA services. The Board competitively procures contractors who employ Workforce Solutions staff. These Workforce Solutions staff provides services to WIA customers.

G. Identify all funding sources and amounts for the program or function, including federal grants and pass-through monies. Describe any funding formulas or funding conventions. For state funding sources, please specify (e.g., general revenue, appropriations rider, budget strategy, fees/dues).

The WIA program is funded with federal WIA funds referenced in Strategy 1.1.1 for Adults and Dislocated Workers and in Strategy 1.1.2 for Youth and Subrecipient Monitoring Strategy 2.1.1 and 2.1.2 Technical Assistance. Expenditures in FY2012 totaled \$167,355,593.

Funds allocated to the local workforce development areas are governed by TWC rules as set forth in 40TAC, §800.63 <http://www.twc.state.tx.us/twcinfo/rules/ch800.pdf>.

H. Identify any programs, internal or external to your agency, that provide identical or similar services or functions to the target population. Describe the similarities and differences.

Integrated services, including those under the Wagner-Peyser Employer Services; Choices, the Temporary Assistance for Needy Families (TANF) employment program; Supplemental Nutrition and Assistance Employment and Training (SNAP E&T); and others provide job seekers with a variety of work activities that lead to permanent, unsubsidized employment.

Although these programs provide services that are similar, the major difference is the eligibility to become enrolled in the program. While the Wagner-Peyser Employment Services program does not have eligibility associated with the receipt of services, Choices, SNAP E&T, and WIA have eligibility requirements. Individuals may be co-enrolled in any of these programs provided that they meet the eligibility criteria of each program.

I. Discuss how the program or function is coordinating its activities to avoid duplication or conflict with the other programs listed in Question H and with the agency's customers. If applicable, briefly discuss any memorandums of understanding (MOUs), interagency agreements, or interagency contracts.

The Boards administer all services, in an integrated workforce development system, thereby reducing inherent duplication that may occur when such services are operated independently. In addition, customer records for TAA and WIA are maintained in the Workforce Information System of Texas (TWIST),

TWC's automated statewide, case management system which assures that service provision is coordinated and duplication is avoided.

J. If the program or function works with local, regional, or federal units of government, include a brief description of these entities and their relationship to the agency.

The U.S. Department of Labor administers the WIA program.

K. If contracted expenditures are made through this program please provide:

- a short summary of the general purpose of those contracts overall;
- the amount of those expenditures in fiscal year 2012;
- the number of contracts accounting for those expenditures;
- top five contracts by dollar amount, including contractor and purpose;
- the methods used to ensure accountability for funding and performance; and
- a short description of any current contracting problems.

Not applicable.

L. Provide information on any grants awarded by the program.

In FY'12 TWC established Program Grant/Cooperative Agreements with 28 Boards. The purpose was to ensure that the Boards design systems, subcontracts and structures that support the goal of WIA services which is to meet the employment and training needs of employers and job seekers as described in Texas Labor Code, §302.021 & §301.063; 40 TAC Chapters 841 & 801; 29 USC §§2801 et seq.; 29 USC §§49 et seq; 42 USC 501 et seq.; 20 CFR Part 652.

TWC contracts with each of the 28 Boards to administer WIA services. The amount of WIA expenditures in FY 2012 was \$167,355,593

TWC has successfully crafted a monitoring and performance accountability system that works to maximize results for employers and job seekers using the workforce system. TWC regularly monitors performance results to assist Boards in meeting their performance goals and objectives. Performance accountability and monitoring represent continuing opportunities to bring optimal service to customers.

As a part of the Regulatory Integrity Division, the Performance, Analysis, and Reporting (PAR) department is responsible for all workforce reporting. PAR provides timely, accurate, understandable information and analyses relevant to the performance, accountability, and integrity of the Texas workforce system. PAR's reporting ensures TWC management has the information necessary to make policy decisions that will help the system meet or exceed performance expectations.

TWC continuously analyzes performance reports and compares actual performance with grant benchmarks. Categorical program data is gathered and relevant reports are generated by Boards and are made available on the TWC Website. A snapshot of each Board's performance data and other key indicators is accessible by state and local staff. Because other data, such as labor market information, is also made available, this data source may be used to develop strategies for system and performance improvement.

The Agency's Sub-Recipient Monitoring Unit, which is part of the Regulatory Integrity Division, develops risk assessments and monitors Boards' compliance with programmatic and financial

requirements associated with TAA service provision. On-site monitoring activities conducted by the Sub-Recipient Monitoring unit are designed to identify opportunities to enhance program performance and strengthen control systems. Formal reports are generated for each monitoring visit, and are used as a basis to formulate remedial action plans and technical assistance provision where necessary.

The Workforce Development Division director conducts monthly performance and expenditure reviews with the division's technical assistance and contract management staff. These reviews of each Board and other grantees ensure that timely corrective actions are taken. When performance indicates the need for training or technical assistance, TWC initiates both.

TWC Commissioners also conduct quarterly performance and expenditure meetings, available by audio webcast, to ensure that Boards are meeting their contractual performance obligations, and that programs administered by TWC are meeting performance expectations. Using performance measures to manage and monitor grants allows TWC to emphasize quality.

M. What statutory changes could be made to assist this program in performing its functions? Explain.

None at this time.

N. Provide any additional information needed to gain a preliminary understanding of the program or function.

WIA-funded training must be provided by a training provider approved to be on the statewide list of Eligible Training Providers. The Eligible Training Provider program provides WIA and other workforce program training participants with access to a wide selection of quality approved training programs by offering providers an Internet based Eligible Training Provider application system and maintaining the online Statewide List of Certified Training Providers.

The critical functions of TWC's Eligible Training Providers (ETP) program are:

- Serving as the TWC point of contact for Boards, training providers, and the public regarding the ETP program's procedures, policy, and automated system functions
- Coordinating with the U.S. Department of Labor (DOL), training providers, Boards, and TWC representatives regarding the ETP program
- Verifying and certifying Board-approved applications for inclusion on the statewide list, and ensuring that all information is complete, accurate, verifiable, and in compliance with WIA and TWC requirements, including Provider Assurance Statements and change requests
- Providing training and technical assistance to support training providers and Boards
- Providing a UI Wage Match service for training providers interested in becoming certified
- Maintaining the automated application and certification system and Statewide List of Certified Training Providers

In support of the training provided through the WIA program, in Fiscal Year 2012, the ETP program:

- Maintained 5,925 certified training programs
- Approved 821 new certified training programs
- Approved 1,382 updates to certified programs on Texas's Statewide List of Certified Training Providers

- Provided training and technical assistance to hundreds of users of the ETP online system, including Board ETP contacts, training providers, and members of the public
- Provided three onsite workshops to Board ETP staff and training providers

O. Regulatory programs relate to the licensing, registration, certification, or permitting of a person, business, or other entity. For each regulatory program, if applicable, describe:

- why the regulation is needed;
- the scope of, and procedures for, inspections or audits of regulated entities;
- follow-up activities conducted when non-compliance is identified;
- sanctions available to the agency to ensure compliance; and
- procedures for handling consumer/public complaints against regulated entities.

Not applicable.

P. For each regulatory program, if applicable, provide the following complaint information. The chart headings may be changed if needed to better reflect your agency's practices.

Not applicable.

A. Provide the following information at the beginning of each program description.

Name of Program or Function	Work Opportunity Tax Credit and TANF State Refund
Location/Division	Workforce Development Division
Contact Name	Norma Martinez
Actual Expenditures, FY 2012	\$900,733
Number of Actual FTEs as of June 1, 2013	16.6
Statutory Citation for Program	Texas Labor Code, §301.0671 & §§301.101-301.108; 26 USC §51 et seq.

B. What is the objective of this program or function? Describe the major activities performed under this program.

The Work Opportunity Tax Credit (WOTC) is a federal tax credit available to employers who hire and retain individuals with significant barriers to employment including veterans and individuals from other target groups. WOTC joins other workforce programs that help provide incentives for employer to hire and enable individuals to become employed, earn a steady income and become contributing taxpayers. Under WOTC, employers can receive a maximum tax credit of up to \$9,600 per eligible worker, based on the employee meeting certain eligibility requirements and working for the employer at least 400 hours.

The Temporary Assistance for Needy Families (TANF) State Refund provides state tax credits for employers who hire TANF recipients, and pay a portion of the major medical insurance coverage for the employees. Under the TANF State Refund, the Comptroller of Public Accounts will determine and issue the refund to the employer. The employer can receive a maximum refund of up to \$2,000 per eligible worker.

The key activities performed by TWC staff are to process and verify information from employers who apply for tax credits after hiring employees who may meet eligibility requirements for the tax credit programs. When qualifications have been verified, a certification determination is issued so that the employer may submit to the IRS with the employer's tax filing.

C. What evidence can you provide that shows the effectiveness and efficiency of this program or function? Provide a summary of key statistics and performance measures that best convey the effectiveness and efficiency of this function or program.

The WOTC program received 327,516 applications in calendar year 2012, which was an increase of 15.57% from calendar year 2011.

In January 2012, the average number of days to make determinations on applications received was 194 days. Through the application and implementation of Rapid Process Improvement (RPI) strategies, the time to process applications decreased to an average of 31 days by December, 2012. Additionally, initial determinations were made on all applications received for calendar year 2012 by the tax filing deadline (April 15, 2013) for the first time. A complete report of the WOTC RPI can be found online at:

<http://www.twc.state.tx.us/twcinfo/rapid-process-improvement-efficiency-pilot-program.pdf>

TWC identified potential tax dollar savings to Texas employers for FY 2012 of \$360,807,600.

D. Describe any important history regarding this program not included in the general agency history section, including how the services or functions have changed from the original intent.

The WOTC program was developed in 1996 and its program operations have remained fairly consistent, with the exception of modifications to certain categories of workers for whom a tax credit may be issued.

The American Recovery and Reinvestment Act (ARRA) created several new categories relating to youth and veterans who may have barriers to employment. The Veterans Opportunity to Work (VOW) to Hire Heroes Act of 2011 expanded the existing disabled veteran category and amended the definition of “qualified veteran” by adding two new unemployed veteran categories: a) veterans certified as having aggregate periods of unemployment of at least 4 weeks but less than 6 months, and b) veterans certified as having aggregate periods of unemployment of 6 months or more. The VOW Act also made a reduced tax credit available to certain tax-exempt organizations when hiring qualified veterans.

The American Tax Payer Relief Act of 2012 reauthorized the WOTC program through December 31, 2013.

E. Describe who or what this program or function affects. List any qualifications or eligibility requirements for persons or entities affected. Provide a statistical breakdown of persons or entities affected.

The direct beneficiary of the Work Opportunity Tax Credits are employers, however, the tax credit also benefits the employee. The possibility of a tax credit(s) of up to \$9,600 is an incentive for the employer to consider hiring from certain applicants who may have barriers to employment otherwise.

During Fiscal Year 2012, the WOTC unit received 26,660 applications and issued 148,779 certifications for a total \$360,807,600 in potential tax credits. This reflects an increase of 37.74% over the FY 2011 amount of \$261,951,100.

F. Describe how your program or function is administered. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures. Indicate how field/regional services are used, if applicable.

The WOTC unit, within the Workforce Development Division, administers the WOTC and Temporary Assistance for Needy Families (TANF) State Refund programs. The department receives all applications for the tax credit programs, makes determinations, and issues those determinations.

WOTC and TANF State Refund information is available to local workforce development boards and their contractors. Staff in the local workforce offices informs employers of the availability of the tax credit programs and use the programs to incentivize employers to hire job seekers with characteristics that typically are barriers to employment. In addition, training on WOTC is provided upon request by the Integrated Service Area Managers.

An employer includes WOTC certifications with their tax filing, and the issuance of the actual WOTC is calculated and applied by the Internal Revenue Service. The Texas State Comptroller issues the state refund based on the applications deemed eligible by the WOTC unit.

G. Identify all funding sources and amounts for the program or function, including federal grants and pass-through monies. Describe any funding formulas or funding conventions. For state funding sources, please specify (e.g., general revenue, appropriations rider, budget strategy, fees/dues).

The WOTC program is funded with federal WOTC funds referenced in 2012 LAR Strategy 1.2.4 and 2.1.2 Technical Assistance. Expenditures in FY2012 totaled \$900,733.

H. Identify any programs, internal or external to your agency, that provide identical or similar services or functions to the target population. Describe the similarities and differences.

No other programs perform WOTC application processing functions in Texas.

I. Discuss how the program or function is coordinating its activities to avoid duplication or conflict with the other programs listed in Question H and with the agency's customers. If applicable, briefly discuss any memorandums of understanding (MOUs), interagency agreements, or interagency contracts.

Not applicable.

J. If the program or function works with local, regional, or federal units of government, include a brief description of these entities and their relationship to the agency.

The United States Department of Labor (DOL) and Department of the Treasury, Internal Revenue Service, administer the WOTC program. DOL allocates WOTC funds to TWC for the administration of the program and issues program guidance.

K. If contracted expenditures are made through this program please provide:

- a short summary of the general purpose of those contracts overall;
- the amount of those expenditures in fiscal year 2012;
- the number of contracts accounting for those expenditures;
- top five contracts by dollar amount, including contractor and purpose;
- the methods used to ensure accountability for funding and performance; and
- a short description of any current contracting problems.

Not applicable.

L. Provide information on any grants awarded by the program.

Not applicable.

M. What statutory changes could be made to assist this program in performing its functions? Explain.

None at this time.

N. Provide any additional information needed to gain a preliminary understanding of the program or function.

Local workforce offices staff, the Texas Department of Assistive and Rehabilitative Services, with the Texas Veterans Commission and the TWC Texas Leadership Program may issue conditional certifications to job seekers. Job seekers that meet eligibility requirements may use the conditional certification to inform prospective employers about the job applicant's WOTC eligibility.

O. Regulatory programs relate to the licensing, registration, certification, or permitting of a person, business, or other entity. For each regulatory program, if applicable, describe:

- why the regulation is needed;
- the scope of, and procedures for, inspections or audits of regulated entities;
- follow-up activities conducted when non-compliance is identified;
- sanctions available to the agency to ensure compliance; and
- procedures for handling consumer/public complaints against regulated entities.

WOTC has no regulatory or licensing authority.

P. For each regulatory program, if applicable, provide the following complaint information. The chart headings may be changed if needed to better reflect your agency's practices.

Not applicable.

VIII. Statutory Authority and Recent Legislation

A. Fill in the following chart, listing citations for all state and federal statutes that grant authority to or otherwise significantly impact your agency. Do not include general state statutes that apply to all agencies, such as the Public Information Act, the Open Meetings Act, or the Administrative Procedure Act. Provide information on Attorney General opinions from FY 2009 – 2013, or earlier significant Attorney General opinions, that affect your agency’s operations.

Texas Workforce Commission Table of Statutes		
Services/Activities	Citation/Title	Authority/Impact on Agency
Administrative		
State Agency Employment Openings	State Statute: Government Code § 656.001	Provides that any agency, board, bureau, commission, committee, council, court, department, institution, or office in the executive or judicial branch of state government that has an employment opening for which persons from outside the agency will be considered shall list the opening with TWC.
State Agency Lease Space	State Statute: Government Code § 2167.001(b)(6)	Provides an exemption for TWC from provisions relating to lease space by state Facilities Commission
Interpreter Services; Bilingual Forms	State Statute: Labor Code § 301.064	Requires TWC to provide language interpreters for agency programs through a comprehensive language services program for persons whose primary language is Spanish and permits TWC to provide language interpreters for agency programs for non-Spanish or English speakers. Requires essential agency forms and instructional information to be printed in both English and Spanish.
Texas Workforce Investment Counsel (TWIC)	State Statute: Government Code § 2308.052 Federal Statute: 29 USC § 2801 <i>et seq.</i>	TWIC (f/k/a Texas Council on Workforce and Economic Competitiveness, TCWEC) acts as a state workforce investment board under WIA. TWIC was created by the Governor and Legislature to carry out certain evaluation and strategic planning functions in order to promote the development of a well-educated, highly-skilled workforce for Texas. The Executive Director of TWC serves as an ex-officio voting member on TWIC.

Child Care		
Child Care	<p>State Statute: Labor Code § 302.021(b)(2) and §§ 302.004-302.006 ; Human Resources Code §§ 44.001 <i>et seq.</i> and § 31.0035</p> <p>State Rule: 40 TAC Chapter 809</p> <p>Federal Statute: 42 USC §§601 <i>et seq.</i>; 42 USC §§ 9858 <i>et seq.</i></p> <p>Federal Regulation: 45 CFR Part 98</p>	Designates TWC as the state agency to administer a day care program established by federal law or funded by public money. Provides authority to implement child care subsidies to share the cost of child care for low-income families who are working, in training or other educational activities, as well as for those families receiving or transitioning off of cash assistance. Includes childcare as a support service for participants in the Temporary Assistance for Needy Families (TANF), Employment and Training activities and Food Stamps Employment and Training activities.
Child Support Obligations	<p>State Statute: Labor Code § 207.092</p> <p>Federal Statute: 42 USC § 503(e)</p>	TWC shall notify the state or local child support enforcement agency when someone who owes a child support obligation qualifies for unemployment compensation as required by federal law.
Child Labor	<p>State Statute: Labor Code §51.001 <i>et seq.</i></p> <p>State Rule: 40 TAC Chapter 817</p> <p>Federal Statute: 29 USC §§ 201-219</p> <p>Federal Regulation: 29 CFR Parts 570, 575, and 579</p>	Authorizes TWC to protect children in employment, with restrictions on employment, imposition of child labor violations and penalties, and an administrative and appeal process consistent with unemployment insurance (UI) appeals.
Infant and Early Childhood Child Care	<p>State Statute: Government Code §2308.316</p> <p>State Rule: 40 TAC Chapter 809</p> <p>Federal Statute: 42 USC §601 <i>et seq.</i>; 42 USC §9858 <i>et seq.</i></p> <p>Federal Regulation: 45 CFR Part 98</p>	Requires Local Workforce Development Boards (LWDBs) to allocate a portion of federal childcare funds dedicated to quality improvement activities to a competitive procurement process that providers who serve children less than four years of age are encouraged to voluntarily meet the criteria of TWC's designated vendor program or national accreditation.

Reimbursement Rates	<p>State Statute: Government Code §2308.315</p> <p>State Rule: 40 TAC Chapter 809</p> <p>Federal Statute: 42 USC §601 <i>et seq.</i>; 42 USC §9858 <i>et seq.</i></p> <p>Federal Regulation: 45 CFR Part 98</p>	Requires each LWDB to establish graduated reimbursement rates for child care based on TWC’s designated vendor program with a minimum reimbursement rate of five-percent greater than the maximum rate established for non-designated vendors for the same category of care. The designated vendor rate shall be funded with federal child-care development funds dedicated to quality improvement activities.
Work and Family Policies Clearinghouse	<p>State Statute: Labor Code §§81.001 <i>et seq.</i> and 302.021(a)(6); Health and Safety Code § 191.0045</p> <p>State Rule: 40 TAC Chapter 845</p>	Establishes a Work and Family Policy Clearinghouse of information for employers, workers, and caregivers in Texas to provide technical assistance and information on dependent care and other employment-related family issues to public and private employers, state agencies, policymakers, and individuals.
Civil Rights Division		
Equal Employment Opportunity	<p>State Statute: Labor Code, Chapter 21</p> <p>State Rule: 40 TAC Chapter 819</p> <p>Federal Statute: 42 USC §§ 2000e <i>et seq.</i>; 29 USC §63; 42 USC §12101 <i>et seq.</i></p> <p>Federal Regulation: 29 CFR Parts 1600-1699</p>	Provides authority to TWC’s Civil Rights Division (CRD), formerly the Texas Commission on Human Rights, to execute the policies of Title VII of the Civil Rights Act of 1964 (42 USC §2000e <i>et seq.</i>), 42 USC §2000e-5(c), 29 USC §633 , and Title I of the Americans with Disabilities Act (42 USC §12101 <i>et seq.</i>). CRD investigates charges of employment discrimination based upon protected classes such as race, color, religion, sex, gender, national origin, age and disability under the Texas Labor Code. The statute also requires state agencies to report equal employment opportunity data to CRD for review and monitoring.
Firefighters Test Review	<p>State Statute: Government Code §§ 419.101-419.105</p> <p>State Rule: 40 TAC § 819.22</p>	CRD shall review the administration of tests by fire departments, including written tests, physical tests and assessment tests. The purpose of the review is to ensure that the tests are administered in compliance with Chapter 21, Texas Labor Code. CRD conducts a risk-assessment analysis that may result in an expanded review, including on site investigation.
State Agency Policies and Procedures	<p>State Statute: Labor Code § 21.453</p> <p>State Rule: 40 TAC § 819.23</p>	CRD shall review the personnel policies and procedures of each state agency once every six years on a staggered schedule to determine compliance with the Texas Labor Code, Chapter 21.

State Agency Training	<p>State Statute: Labor Code § 21.010</p> <p>State Rule: 40 TAC §§ 819.24-819.26</p>	Each state agency shall provide its employees with standard employment discrimination training no later than the 30 th day after the date the employee is hired by the agency, with supplemental training every two years thereafter. Each state agency shall provide the standard training using a training program from CRD's preapproved list of training programs that have been reviewed and certified by CRD as compliant with its training standards.
Texas Fair Housing Act	<p>State Statute: Property Code, Chapter 301</p> <p>State Rule: 40 TAC §§ 819.111 <i>et seq.</i></p>	Provides CRD with enforcement authority over the Texas Fair Housing Act, codified in the Texas Property Code. This statute gives CRD the authority to investigate and settle complaints of discriminatory housing practices based upon an individual's race, color, religion, sex, disability, familial status, or national origin.
Workforce Development		
Employment Services	<p>State Statute: Labor Code § 307.001 <i>et seq.</i></p> <p>State Rule: 40 TAC Chapter 843</p> <p>Federal Statute: 29 USC § 49 <i>et seq.</i>; 42 USC § 1101</p> <p>Federal Regulations: 20 CFR Part 652</p>	Provides that TWC is the state agency designated to cooperate with the United States Employment Service as necessary to perform the duties of the State under the Wagner-Peyser Act and requires TWC to establish and maintain free public employment offices. Provides employers and job seekers with guidance for accessing the clearinghouse of employer and job seeker information.
Temporary Assistance for Needy Families (TANF) (includes all TANF-funded programs and specific initiatives such as Choices, Retention Services, Re-employment Services, and Local Innovation Grants)	<p>State Statute: Labor Code § 302.001 <i>et seq.</i>; Education Code §54.001 <i>et seq.</i>; Human Resources Code § 31.001 <i>et seq.</i></p> <p>State Regulation: 40 TAC Chapter 811</p> <p>Federal Statute: 42 USC §601 <i>et seq.</i></p> <p>Federal Regulation: 45 CFR 260</p>	Provides for assistance to low income families to obtain and retain employment. Adults may engage in training and educational activities that will enhance employment opportunities. Requires TWC to provide employment services, including needs assessment, job training, post-employment services, and related support services, to non-TANF-recipient parents to comply with federal work participation requirements.
Work Registration for TANF recipients	<p>State Statute: Human Resources Code §31.009</p>	Provides that a person who is required to register with TWC under the Employment Incentive Act is not eligible to receive financial assistance until the person is registered.

<p>CHOICES (TANF Employment and Training Program)</p>	<p>State Statute: Labor Code § 302.021(a)(16) ; Human Resources Code § 31.001 <i>et seq.</i> and §34.001 <i>et seq.</i></p> <p>State Rule: 40 TAC Chapter 811</p> <p>Federal Statute: 42 USC § 601 <i>et seq.</i></p> <p>Federal Regulations: 45 CFR Part 260</p>	<p>Provides for coordination between TWC and Texas Health and Human Services Commission (HHSC) for the implementation of the employment and training component for persons receiving or transitioning off public assistance.</p>
<p>Community Supervision & Corrections</p>	<p>State Statute: Government Code §§ 76.003 and 76.014</p>	<p>Provides for the establishment of a community justice council to provide policy and guidance for community justice plans, correction facilities, programs and conditions of supervision. The council shall appoint a task force which shall include as one member the local representative of TWC. Establishes a developmental program to assess and enhance defendants' education and skills.</p>
<p>Supplemental Nutrition Assistance Program (SNAP) Employment and Training (E&T)</p>	<p>State Statute: Texas Labor Code § 302.021(a)(17) ; Texas Human Resources Code § 31.027</p> <p>State Rule: 40 TAC Chapter 813</p> <p>Federal Statute: 7 USC §§ 2015 and 2025</p> <p>Federal Regulation: 7 CFR Parts 271-283</p>	<p>Assists in the provisioning of the Supplemental Nutrition Assistance Program (SNAP) Employment and Training Program (E&T) formerly known as Federal Food Stamp Act of 1977 by providing support services to assist recipients, who are not receiving TANF, in entering employment through participation in allowable job search, training, education, or work-fare activities that promote self-sufficiency.</p>
<p>Job Counseling for Displaced Homemakers or Workers</p>	<p>State Statute: Labor Code §§ 304.001 <i>et seq.</i> and § 302.021(a)(8)</p>	<p>Requires TWC, through a special job-counseling program, to provide job counseling, training, education, and placement services for displaced homemakers.</p>

<p>Self- Sufficiency Fund</p>	<p>State Statute: Labor Code § 309.001 <i>et seq.</i></p> <p>State Rule: 40 TAC Chapter 835</p> <p>Federal Statute: 42 USC § 601 <i>et seq.</i></p> <p>Federal Regulation: 45 CFR Part 260</p>	<p>Provides training for targeted employment opportunities primarily for TANF recipients, as well as those individuals at risk of becoming dependent on public assistance. The goal of the fund is to provide training that will lead to a job that will allow participants to become and remain independent of financial assistance provided under Human Resources Code, Chapters 31, 33 and 34. The fund may be used by a public community, technical college, community-based organization, state extension service or Texas Engineering Extension Service for job-training purposes including customized job-training projects for TANF recipients, at-risk persons, businesses, trade unions, small and medium-sized businesses, and certain support services.</p>
<p>Alien Labor Certification (ALC)</p>	<p>Federal Statute: 8 USC § 1101 <i>et seq.</i>; 29 USC § 49 <i>et seq.</i></p> <p>Federal Regulation: 29 CFR Parts 655-656</p>	<p>Program funded by U.S. Department of Labor (DOL) that provides state authority to process alien labor certification. The program allows Texas employers, unable to hire qualified workers eligible to work in the United States, to file a labor certification application with the ALC department. The application process seeks approval to bring foreign workers into the United States on a temporary basis. After completion of the correction and recruitment process, the application is forwarded to DOL's Chicago National Processing Center for certification or denial.</p>
<p>Individual Development Account (IDA)</p>	<p>State Rule: 40 TAC § 811.67</p> <p>Federal Statute: 42 USC § 604(h)</p> <p>Federal Regulation: 45 CFR Part 263</p>	<p>Provides for the implementation of IDA, matched savings accounts that allow a low-income individual to save for high-return investments. The IDA project, administered through TWC, is open to TANF applicants, as well as current and former TANF recipients, allowing them to save for post-secondary education, a first home purchase, or business capitalization.</p>
<p>Inmate Welfare - Continuity of Care Program</p>	<p>State Statute: Government Code § 501.095; Labor Code §302.021(a)(11)</p> <p>State Rule: 40 TAC Chapter 847</p>	<p>Provides for the Department of Corrections and TWC to adopt an MOU regarding their respective responsibilities to establish a continuity of care program for inmates with a history of chronic unemployment.</p>
<p>Reintegration of Offenders (Project RIO)</p>	<p>State Statute: Labor Code § 306.001 <i>et seq.</i> and § 302.021(a)(10); Government Code § 2308.12</p> <p>State Rule: 40 TAC Chapter 847</p>	<p>Provides for a state-funded program that prepares and transitions offenders from the Texas prison system and Texas Youth Commission (TYC) facilities into gainful employment upon release. This program is currently unfunded.</p>

Senior Community Service Employment Program	<p>State Statute: Human Resources Code § 101.023 ; Labor Code §302.021 (a)(5);</p> <p>Federal Statute: 42 USC § 3056</p> <p>Federal Regulations: 20 CFR Part 641</p>	Provides for a public service program that funds employment for economically disadvantaged citizens age 55 and older. The program offers senior Texans with limited income an opportunity to earn supplemental money that can have a significant impact on their standard of living.
Skills Development Fund (SDF)	<p>State Statute: Labor Code §303.001 <i>et seq.</i></p> <p>State Rule: 40 TAC Chapter 803</p>	Provides for training grants for businesses that join with local colleges or technical schools to improve the quality of workers by offering customized job training for specific employers who will provide jobs for these trainees once training is completed. The purpose is to enhance the ability of public community and technical colleges and the Texas Engineering Extension Service (TEEX) to respond to industry and workforce training needs and to develop incentives for public community and technical colleges. The goal is to increase the skills level and wages of the Texas workforce.
Trade Assistance Act (TAA)	<p>State Statute: Labor Code § 302.021(a)(15)</p> <p>State Rule: 40 TAC Chapter 849</p> <p>Federal Statute: 19 USC §§ 2271 <i>et seq.</i></p> <p>Federal Regulation: 20 CFR Part 617</p>	Provides funding for training, job search, and relocation assistance to individuals who lose jobs due to foreign imports. NAFTA-TAA provides an additional source of funds for those who lose manufacturing jobs due to imports from Mexico or Canada including production shifts and those indirectly affected by trade with those countries. TWC administers these federal funds. Services provided may include training and income support benefits. Trade Readjustment Allowances are paid to individuals enrolled in approved training programs who have exhausted their UI benefits.
Apprenticeship Training	<p>State Statute: Education Code § 133.001 <i>et seq.</i> Labor Code §302.021(a)(2);</p> <p>State Rule: 40 TAC Chapter 837</p> <p>Federal Statute: 29 USC § 50 <i>et seq.</i></p> <p>Federal Regulation: 29 CFR Part 29</p>	Pursuant to the National Apprenticeship Act, provides authority to implement apprenticeship programs that include on-the-job training, preparatory instruction, supplemental instruction, or related instruction in a trade that has been certified as an apprentice able occupation by the DOL Office of Apprenticeship Training.

Work Opportunity Tax Credit (WOTC)	<p>State Statute: Labor Code §§ 301.067 and 301.0671</p> <p>Federal Statute: 26 USC §§ 51 <i>et seq.</i></p>	Provides for a Work Opportunity Tax Credit and State Tax Refund for certain employers who hire employees from a targeted group. The targeted groups are: qualified IV-A recipient, qualified veteran, qualified ex-felon, a designated community resident, vocational rehabilitation referral, qualified summer youth employee, qualified SNAP recipient, a qualified SSI recipient and a long term family assistance recipient.
County Responsibilities	<p>State Statute: Health and Safety Code § 61.042</p>	The Texas Indigent Health Care and Treatment Act allows a county to establish certain procedures consistent with Chapter 31, Human Resources Code, for administering an employment services program and requiring an applicant or eligible resident to register for work with TWC.
Public Entities to List Positions with TWC	<p>State Statute: Government Code § 657.009</p> <p>State Rule: 40 TAC Chapter 843</p>	Provides employers and job seekers with guidance for accessing the clearinghouse of employer and job seeker information and requires public entities to provide TWC information regarding any open position subject to the veterans' employment preferences.
Local Workforce Development Boards		
Local Workforce Development Boards (LWDBs)	<p>State Statute: Government Code §§ 2308.252 through 2308.307</p> <p>State Rule: 40 TAC Chapter 801</p> <p>Federal Statute: 29 USC §§ 2801 <i>et seq.</i></p> <p>Federal Regulation: 20 CFR Parts 652 and 660</p>	Provides for the creation and duties of Local Workforce Development Boards (LWDBs). Addresses LWDB membership and composition. Provides the criteria for the formation, governance and membership requirements of local boards.

One-Stop Career Center System	<p>State Statute: Government Code §§ 2308.001 <i>et seq.</i>; Labor Code §302.021</p> <p>State Rule: 40 TAC Chapter 801</p> <p>Federal Statute: 20 USC §2801 <i>et seq.</i></p> <p>Federal Regulation: 20 CFR Parts 652 and 660</p>	Provides for the creation and duties of the One-Stop Career Center System. Sets forth duties of LWDBs and includes provisions for the operation of one-stop career centers. The LWDBs support the community by providing labor market information and a “one-stop for service” approach to administering the workforce development system.
Literacy Activities	<p>State Statute: Labor Code §302.021(a)(12); Government Code §2308.1016</p>	Provides for implementation of literacy activities to provide adults with the basic skills necessary to find and retain employment. Assists literacy service providers and LWDBs with improving basic skills training for Texans. The program will be evaluated by TWIC.
Eligible Training Provider System(ETPS)	<p>State Statute: Labor Code § 302.021(a)(7)</p> <p>State Rule: 40 TAC Chapters 801 and 841</p> <p>Federal Statute: 29 USC §§ 2801 <i>et seq.</i></p> <p>Federal Regulation: 20 CFR Parts 652 <i>et seq.</i></p>	WIA requires training providers to apply to a LWDB for certification to receive WIA funds. The publicly accessible Statewide List of Certified Training Providers includes all training programs that are currently approved by one or more Boards and certified by the Texas Workforce Commission (Agency). Training Providers must submit and receive approval of a Provider Assurance Statement to obtain access to the online application system.
Wages		
Texas Payday Law	<p>State Statute: Labor Code § 61.001 <i>et seq.</i></p> <p>State Rule: 40 TAC Chapter 821</p> <p>Federal Statute: 29 USC §§ 201-219</p> <p>Federal Regulation: 29 CFR Parts 530 - 580</p>	Requires employers to pay wages to employees who are exempt from the Fair Labor Standards Act of 1938 (FLSA) overtime-pay provisions, at least once a month, on an employer-designated day. Sets forth the rights, duties and obligations of employers and employees relating to wages and provides guidance to employees on filing wage claims with TWC. Provides for an administrative and appeal process for wage claims and enforcement of Texas Payday Law.

Texas Minimum Wage Act	<p>State Statute: Labor Code §§ 62.001 <i>et seq.</i></p> <p>Federal Statute: 29 USC § 206</p> <p>Federal Regulation: 29 CFR Parts 510, 519, 528 and 578</p>	Requires employers to give employees a written earnings statement covering the pay period that an employee works. Requires TWC to distribute information on the Minimum Wage Law to the public. Requires employers to comply with the federal minimum wage as provided by Section 6 of FLSA. Also sets forth provisions for agricultural piece-rate workers, certain employment exemptions, and applicable civil penalties for chapter violations.
Employer Wage Withholding for Child Support Obligations and State Directory of New Hires Updating Requirements	<p>State Statute: Family Code §§ 158.214 and 234.105</p>	Requires an employer who receives a writ of withholding for child support obligations to withhold from any severance pay an amount equal to what the obligor would have paid if the severance pay had been paid as the obligor's usual earnings as a current employee. Provides an administrative and a civil penalty for the failure of an employer to make reports to the state directory of new hires, as required by federal and state law.
Prevailing Wage for Private Sector Prison Industries Program	<p>State Statute: Government Code § 497.058</p>	Provides that participants at each private sector prison industries program be paid not less than the prison industry enhancement certification program (PIECP) wage as computed by TWC, with certain exceptions.
Workforce Investment Act		
Wagner-Peyser Act	<p>State Statute: Labor Code § 301.063</p> <p>Federal Statute: 29 USC §§ 49 <i>et seq.</i>; 42 USC §§ 301 <i>et seq.</i></p>	Provides that TWC shall implement the Federal Wagner-Peyser Act. TWC will cooperate with the Secretary of Labor consistent with this title, making necessary reports, complying with federal regulations and cooperating with any officials or agencies with powers or duties under the Wagner-Peyser Act. Provides TWC will work with TXDOT to deliver public transportation services to clients of eligible programs.
Adult, Dislocated Worker and Youth Services	<p>State Statute: Labor Code § 302.021(a)(7)</p> <p>State Rule: 40 TAC Chapters 801 and 841</p> <p>Federal Statute: 29 USC § 2801 <i>et seq.</i></p> <p>Federal Regulation: 20 CFR Part 652</p>	Provides that job-training programs funded under the Workforce Investment Act (WIA) will be consolidated under TWC. Provides for the implementation of WIA as it relates to the duties of TWC and LWDBs. Requires each board to maintain a One-Stop Service Delivery System consistent with WIA and state law. WIA assists adults, dislocated workers, and youth with obtaining permanent self-sustaining employment and includes rapid-response services that provide assistance to employers and workers facing company closures or downsizing.
Job Corps Coordination	<p>Federal Statute: 29 USC § 2881 <i>et seq.</i></p>	Provides for Job Corps coordination with WIA services.

National Programs	<p>Federal Statute: 29 USC §§ 2912 <i>et seq.</i></p> <p>Federal Regulation: 20 CFR Parts 669-671</p>	Provides for the implementation of WIA National Programs including, Migrant and Seasonal Farm Workers, Veterans and Youth Opportunity Grants, and National Emergency Grants for Dislocated Workers. In making these grants, DOL will at a minimum consult and coordinate with the state if not directly contract with TWC and local boards.
Adult Education and Family Literacy Act (AEFLA)	<p>State Statute: Labor Code Chapter 315</p> <p>Federal Statute: Title II of WIA of 1998</p>	<p>Provides for the principal source of federal support for adult basic and literacy education programs for adults who lack basic skills, a high school diploma, or proficiency in English.</p> <p>AEFLA funds are distributed by formula to states using Census data on the number of adults (ages 16 and older) in each state who lack a high school diploma and who are not enrolled in school. States must match 25 percent of the federal contribution with state or local funds. States competitively award 82.5 percent of their federal grants to local school districts, community colleges, community- and faith-based organizations, and other providers to support adult education programs. States retain 17.5 percent of the federal allocation for program improvement activities (12.5 percent), such as professional development for instructors, and administrative expenses (5 percent).</p>
Unemployment Insurance		
Unemployment Insurance (UI)	<p>State Statute: Labor Code Chapters 201 through 215</p> <p>State Rule: 40 TAC Chapter 815</p> <p>Federal Statute: 42 USC §§ 501 <i>et seq.</i>; 26 USC §§3301 <i>et seq.</i></p> <p>Federal Regulation: 20 CFR Parts 601-650</p>	Requires employers to pay taxes under the Federal Unemployment Tax Act (FUTA) and provides for administrative processing of UI under the Texas Unemployment Compensation Act (TUCA). Defines employment and certain applicable exceptions to employment. Defines wages and certain applicable exceptions to wages.
Unemployment Benefits for Victims of Family Violence	<p>State Statute: Labor Code §§ 204.022 and 207.046</p>	Authorizes an employee to use a protective order, police record, or a physician's statement or other medical documentation as evidence of family violence occurring against the employee for purposes of unemployment benefits; Specifically, provides for requirements of physician's statement or medical documentation describing family violence.
Unemployment Compensation Fund Surplus	<p>State Statute: Labor Code §203.102 and §§ 204.065 -- 204.067</p>	Allows TWC to use surplus funds in the unemployment compensation fund to pay outstanding bond obligations or to provide surplus credit or a surplus credit rate to eligible employers.

Unemployment Compensation Benefit Wage Credits and Confidentiality	<p>State Statute: Labor Code §§ 207.002, 207.004, 301.081 and 301.085</p>	Allows TWC to count wages owed as benefit wage credits in the individual's base period of employment even if payment of those wages has not yet been made. Conforms state law to federal unemployment compensation confidentiality regulations.
Re-Employment Services	<p>State Statute: Labor Code § 302.021(a)(7)</p> <p>Federal Statute: 29 USC §2801 <i>et seq.</i></p> <p>Federal Regulation: 20 CFR Part 652</p>	Consolidates job-training programs funded by WIA under the authority of TWC. These services include reemployment services.
TWC UI Hearings Exemption	<p>State Statute: Government Code § 2001.224</p> <p>State Rule: 40 TAC Chapter 823</p>	Provides that Government Code § 2001.038 and Chapter 2001, Subchapters C through H (the Administrative Procedures Act) do not apply to administrative hearings conducted by TWC, including those hearings to determine whether or not a claimant is entitled to unemployment compensation. Additionally, TWC may not index, cross-index to statute, and make available for public inspection final orders, decisions, and opinions under §2001.004(3).
TWC Coordination with Other Entities		
All State Agencies	<p>State Statute: Government Code §656.001</p>	Requires any agency, board, bureau, commission, committee, council, court, department, institution, or office in the executive or judicial branch of state government that has an employment opening for which persons outside the agency will be considered to list the opening with TWC. <i>See</i> WorkInTexas.com.
County Mass Transit Authority	<p>State Statute: Transportation Code §457.151</p>	Requires an authority to contract with TWC to provide, in accordance with federal law, transportation services to a person who resides in the area served by the authority and is receiving financial assistance under TANF. The contract should include guidelines on transportation location, trip vouchers, reimbursement, and return of undistributed vouchers.
Drug Demand Reduction Advisory Committee (DDRAC)	<p>State Statute: Health & Safety Code §461.017</p>	Requires a representative of TWC, along with other agency representatives, to be a member of the committee. Requires the committee meet quarterly and serve as the single source of information for the Governor, the Legislature, and the public about issues relating to reducing drug demand, including available prevention programs and services.

Community Justice Task Force	State Statute: Government Code §§ 76.003 and 76.014	Requires a TWC representative, with responsibility for the geographic area, to be appointed to a community justice task force, appointed by a community justice council, established by district judges to provide continuing policy guidance and direction for the development of community justice plans and community correction facilities, programs, and conditions of community supervision. Allows a community supervision and corrections department, with the assistance of TWC, TWIC, LWDBs and other appropriate public and private entities, to establish a developmental program for a defendant to assist and enhance defendant's educational skills and vocational training.
Criminal Justice Policy Council	State Statute: Government Code §413.022	Requires the Council to develop methods for measuring success of each program or service determined by Texas Board of Criminal Justice to be designed for the primary purpose of rehabilitating inmates. For recidivism performance reviews, requires TWC, a provider of a program or service or representative of Sam Houston State University, or TDCJ to assist CJPC upon request.
Consumer Direction Work Group	State Statute: Government Code § 531.052	Requires TWC representatives, appointed by the executive director to be a member of the work group, to assist HHSC in developing and implementing the voucher payment program for payment of persons regardless of age or disability.
Department of Assistive and Rehabilitative Services (DARS)	State Statute: Human Resources Code § 81.017; Human Resources Code § 111.0525(c)	Requires TWC to adopt an MOU for delivery of services in coordination with other state agencies providing services to persons who are deaf or hard of hearing. Requires DARS to establish a formal referral process with TWC to ensure that appropriate vocational rehabilitation clients are referred to and receive services provided by TWC or LWDBs.
Department of Family and Protective Services (DFPS)	State Statute: Family Code § 264.121	Requires DFPS to address unique challenges facing foster children transitioning to independent living (Preparation for Adult Living Program or PAL). Requires DFPS to enter into cooperative agreements with TWC and LWDBs to further the objectives of the PAL Program.
Department of Public Safety (DPS)	State Statute: Government Code § 411.104	Entitles TWC to obtain access from DPS criminal history information maintained by DPS that relates to a person who is an applicant for a security sensitive position. Such information may not be released or disclosed, except on court order or written consent of the subject person.
Governor's Committee on People with Disabilities	State Statute: Human Resources Code §§ 115.001 <i>et seq.</i>	Provides for the Executive Director of TWC to serve on the committee, along with 12 members appointed by the governor and nonvoting ex officio members, including representatives from other state agencies and other officials designated by the Governor who serve with other state agencies that provide services to persons with disabilities. The mission of the committee is to further opportunities for persons with disabilities to enjoy full and equal access to lives of independence, productivity and self-determination.

Head Start and Early Head Start Programs	State Statute: Human Resources Code § 72.003	Requires programs to coordinate with TWC and LWDBs regarding subsidized child-care services, including ensuring that full-day, full-year child-care services are available to meet the needs of low-income parents who are working or participating in workforce training or workforce education.
Health and Human Services Commission (HHSC)	State Statute: Government Code §§ 531.055 and 531.191; Human Resources Code Chapter 34	Requires TWC, along with each HHS agency, Texas Council on Offenders with Mental Impairments, TDCJ, TDCHA, TEA and TYC, to adopt a joint MOU to promote a system of local-level interagency staffing groups to coordinate services for persons needing multi-agency services. Requires HHSC to consult TWC, and other agencies, in developing and implementing a plan for the integration of services and functions relating to eligibility determination and service delivery by HHS agencies, TWC, and other agencies. The plans must include a reengineering of eligibility determination business processes, streamlined service delivery, a unified and integrated process for the transition from welfare to work, and improved access to benefits and services for clients. Requires TWC, HHSC and LWDBs to jointly develop and implement a state program of temporary assistance and related support services distinct from the financial assistance program authorized by Human Resources Chapter 31(TANF). The temporary assistance and related support services should only be provided to two-parent families or persons residing in minimum service counties. Such assistance cannot be funded with federal money authorized under Chapter 31. Requires TWC, HHSC and DFPS to adopt all necessary rules for state implementation of the program and requires the formation of an interagency work group. TWC with LWDBs shall study methods to improve the delivery of workforce services to persons residing in minimum service counties and develop recommendations to improve service delivery.
Interagency Council on Early Childhood Intervention Services	State Statute: Human Resources Code §§ 73.001 et seq.	Requires a representative from TWC be appointed a non-voting member of the council, along with eight lay-voting members who are family members of children with developmental delay, a voting member representative of TEA, and non-voting representatives from five other agencies.
Interagency Task Force on Electronic Benefits Transfers	State Statute: Government Code § 531.045	Requires a representative of TWC appointed by the Executive Director to serve on the task force and to advise and assist HHSC in adding new benefit programs to the statewide electronic benefits transfer system.
Interagency Work Group on Border Issues	State Statute: Government Code § 772.011	Requires the head of TWC, or a designee, to annually participate in an interagency work group to develop and update processes relating to border communities, discuss and coordinate programs and services offered to border communities and residents of border communities, and develop regulatory and legislative recommendations to eliminate duplication, and combine program services.

Office of Rural and Community Affairs (ORCA)	State Statute: Government Code §§ 487.054 and 487.453	Requires TWC executive director or designee, along with various other agency representatives, to attend an annual meeting in Austin to discuss rural issues and to provide information showing the impact TWC has on rural communities for use in developing rural policy and compiling an annual report. Requires ORCA, in consultation with Area Health Education Center Programs, to coordinate the Community Healthcare Awareness and Mentoring Program for Students with similar programs, including workforce development, scholarships for education, and employment by students administered by TWC, LWDBs and other agencies.
P-16 Council	State Statute: Education Code § 61.076	Provides for TWC executive director, along with commissioners from TEA, THECB, and DARS, to serve on the P-16 Council to ensure that long-range plans and educational programs for the state complement the functioning of the entire system of public education, extending from early childhood through postgraduate study.
State Council on Competitive Government	State Statute: Government Code, Chapter 2162	Provides that the council consists of the following individuals or their designee: the governor, the lieutenant governor, the comptroller, the speaker of the house of representatives, the presiding officer of the Texas Facilities Commission, the TWC commissioner representing labor, and the land commissioner. The council compares a state agency's cost of providing a commercial service versus contracting that service out, through competitive bidding, to another state agency provider or private business.
Texas Department of Criminal Justice (TDCJ)	State Statute: Education Code § 19.011; Government Code §§ 501.095, 501.097, and 508.319	Requires TWC as well as other agencies to coordinate with TDCJ on matters concerning the Windham School District including vocational education and job training programs. TWC Requires TWC to develop a MOU with TDCJ regarding their respective responsibilities to establish a continuity of care program for inmates with a history of chronic unemployment. Requires TWC to develop by rule a MOU with TDCJ that establishes their respective responsibilities for providing inmates who are released into the community on parole or other conditional release with a network of centers designed to provide education, employment and other support services based on a "one stop for service approach." (Project RIO); no longer receives funding Requires that TWC provide TDCJ and other entities information relating to obtaining financial assistance for programs to assess and enhance educational and vocational skills for inmates to be released.

Texas Department of Housing and Community Affairs (TDHCA)	State Statute: Government Code § 2306.253	Requires TDHCA to develop a Homebuyer Education Program in cooperation with TWC, Texas Agricultural Extension Service, HHSC, and Real Estate Research Center at Texas A&M University, experienced homebuyer education providers, community-based organizations and advocates for affordable housing.
Texas Economic Development and Tourism Office	State Statute: Government Code §§ 481.0215 and 481.212	Requires the executive director of the Texas Economic Development and Tourism Office to coordinate economic development efforts with TWC, TCWEC (TWIC), Department of Agriculture and ORCA, relating to job training or job creation. Requires the office to obtain business-related statistics and data from TWC and other state agencies.
Texas Education Agency (TEA)	State Statute: Education Code §§ 29.158 -29.160, § 29.188, § 29.190, and § 29.252	Requires each pre-k provider, Head Start and Early Head Start program provider, and provider of after school child care provided at a school to coordinate with TEA, TWC and LWDBs regarding subsidized child care services, including providing child care service applicants with certain information. Requires each involved entity, including TWC, to consider the quality of child care services involved in proposed coordinating or contracting decisions, giving preference to highest quality. Allows State Center to coordinate with LWDBs and other entities to develop a quality rating system demonstration project assessing child care quality. TWC with TEA is to recommend members of business and industry community that have successfully assisted in provision of career and technology education programs for a governor's award. TWC to collaborate with TEA in determining which occupations qualify for subsidized exam certifications under this section. Requires TEA to collaborate with TWC to improve coordination and implementation of adult education and literacy services in Texas.
Texas Lottery Commission (TLC)	State Statute: Government Code § 466.155	Requires TWC to provide the executive director of TLC with a report of persons who have been finally determined delinquent in the payment of any money owed to or collected by TWC to assist TLC in determining whether to deny, suspend or revoke the license of an applicant or a lottery ticket sales agent.
Texas State Board of Plumbing Examiners	State Statute: Occupations Code § 1301.652	Requires the board to coordinate with TWC and LWDBs efforts to educate the public about the plumbing profession and the resources available to employers for the recruitment and training of plumbers.
Texas Youth Commission (TYC)	State Statute: Education Code § 30.103 State Rule: 40 TAC Chapters 801 and 847	Requires TYC, with the assistance of TWC and TWIC, to adopt by rule an MOU that establishes their respective responsibilities to provide job training and employment assistance programs to children committed or formerly sentenced to the TYC through the LWDBs.

Miscellaneous		
Career Colleges and Schools	<p>State Statute: Labor Code § 302.021(a)(3); Education Code §§ 132.001 <i>et seq.</i></p> <p>State Rule: 40 TAC Chapter 807</p> <p>Federal Statute: 20 USC § 2391</p>	Ensures quality of education in certain private post-secondary trade and technical schools in Texas. Includes schools that are either not exempt from regulation or are not approved or regulated by other state agencies. Career schools and colleges prepare students to enter new careers or enhance their skills in fields such as office occupations, electronics, and allied health occupations. Training is responsive to employers and is typically completed in less than one year. Requires career schools and colleges to adopt a refund policy for students who withdraw because they are called to active duty in either the U.S. Military or National Guard.
Relocation	<p>State Statute: Government Code §325.020</p>	Provides that if an employee is displaced because a state agency or its advisory committee is abolished, reorganized, or continued, the state agency and TWC shall make a reasonable effort to relocate the displaced employee.
Employment and Training Investment Assessment	<p>State Statute: Labor Code § 204.121</p>	Requires an employment and training investment assessment on each employer paying contributions on wages for employment under Labor Code Chapter 204, in addition to from the one-tenth percent wage assessment paid by the employer. Requires TWC to deposit the assessment to the credit of the Employment and Training Investment Assessment Holding Fund, a special trust fund created under Labor Code §204.122 and administered by the State Comptroller in an account separate from the state treasury.
Uncollected over issuance of SNAP	<p>State Statute: Labor Code § 207.111</p> <p>Federal Statute: 42 USC §503(d)</p>	TWC shall notify the state agency in charge of issuing SNAP benefits, if an eligible unemployment compensation beneficiary owes an uncollected over issuance on SNAP benefits at the time the beneficiary's claim is filed.

Attorney General Opinions	
Attorney General Opinion No.	Impact on Agency
H-1159, dated April 27, 1978	Provides guidance to Agency on collection activities relating to employer UI contributions, penalties, or interest thereon and UI overpayments including limitations on filing lawsuits.
MW- 397, dated November 30, 1981	Provides the definition of “Benefit Wage Credits”, so that actually wages paid to an individual in excess of the maximum wages defined in the Federal Insurance Contributions Act are not considered in determining unemployment benefits.
MW-474, dated May 20, 1982	Provides the authority for TEC to finance benefit payments to former state employees from the Unemployment Compensation Benefit Account primarily and then when such fund is insufficient, from the Special Administrative Fund.
MW-512, September 2, 1982	Provides the authority for TEC to obtain advances to the Texas Unemployment Trust Fund from the Federal Unemployment Account of the Social Security Act.
MW-540, dated December 22, 1982	Providing authority for adoption of an anti-favoritism policy of broader reach than the current Nepotism Statutes found in Texas Government Code, Chapter 573.
MW-578, dated December 31, 1982	Provides the authority for TEC meeting in open session to hear employment insurance benefit cases.
JM-306, dated April 9, 1985	Provides the disposition of interest earned on money in the Unemployment Compensation Fund should be to the Fund.
JM-620, dated January 14, 1987	Provides the lack of authority for TEC to find that a recognized corporation or a new corporation created to provide an employment service for another corporation were organized as a subterfuge to secure a lower tax rate.
DM-356, dated June 23, 1995	Provides the lack of authority for TEC to transfer or assign a lien or notice of assessment based on unpaid wages to the wage claimant.
JC-0298, dated October 24, 2000	Provides direction to Agency in oversight of LWDB’s by providing guidance on the eligibility of who may serve as a private sector representative on the LWDB.
JC-0309, dated November 20, 2000	Provides to the Agency the difference between delivery of newspapers and solicitation of newspaper subscriptions and the authority of TWC to regulate such employment of minors consistent with statutory amendments made since the opinion.
GA-0376, dated November 18, 2005	Interpreting Texas Labor Code Section 301.062(g) so as to not preclude funding of certain programs by block grants to LWDB’s.

B. Provide a summary of recent legislation regarding your agency by filling in the chart below or attaching information already available in an agency-developed format. Briefly summarize the key provisions. For bills that did not pass, briefly explain the key provisions and issues that resulted in failure of the bill to pass (e.g., opposition to a new fee, or high cost of implementation). Place an asterisk next to bills that could have a major impact on the agency.

Texas Workforce Commission Exhibit 13: 83rd Legislative Session Chart		
Legislation Enacted – 83rd Legislative Session		
Bill Number	Author	Summary of Key Provisions
HB 5	Rep. Aycock	Changes current structure to enable students to pursue their interests through diploma endorsements. Reduces the emphasis on testing by decreasing the number of end-of-course examinations required for graduation and provides clear understanding of what determines school performance.
HB 26	Rep. Martinez-Fischer	Provides for the eligibility and chargeback protection under the unemployment compensation program for certain persons who are victims or whose immediate family members are victims of sexual assault or family violence.
HB 376	Rep. Strama	Sets up a tiered reimbursement rate for providers that are Texas Rising Star (TRS) certified; provides for technical support to help with TRS providers with certification and staffing support including a funding mechanism for the activity; sets aside 2% for each Local Workforce Board for quality initiatives; and establishes a TRS review work group to make recommendations on revisions to TRS guidelines.
HB 916	Rep. Orr	Amends current law relating to the amount of a chargeback for unemployment compensation benefits paid to a person who is partially unemployed.
HB 939	Rep. Davis, J	Provides for a one-time transfer of 15 percent from the employment and training investment holding fund for workforce development and of the amount received, 15 percent is transferred to the Texas Veterans Commission to support employment programs for veterans.
HB 983	Rep. Elkins	Excludes employment by temporary election offers from unemployment compensation benefits.
HB 1296	Rep. Alvarado	Provides for the information concerning Texas's projected workforce needs through a collaboration between THECB, TEA, and TWC to assist Texas colleges and universities in planning degree programs; prepare course of study offerings; help meet the demand for workers in applicable industries; and to help students make informed choices on programs to pursue.

Bill Number	Author	Summary of Key Provisions
HB 1550	Rep. Bell	Provides a chargeback protection for employers related to unemployment benefits claimed by a former employee who had to separate from their job due to reasons that were urgent, compelling and necessary.
HB 1580	Rep. Reynolds	Provides for an individual who accepts a job while receiving unemployment benefits to not be disqualified for voluntarily separating from that job within four weeks of hire unless the Commission determines the work was suitable as determined by statute; provides a chargeback protection for employers.
HB 2000	Rep. Thompson, S	Makes changes to state law to allow students of nonprofit career schools and colleges to be eligible for federal student loans.
HB 2015	Rep. Davis, J	Provides that a contractor for certain public works projects must properly classify workers as either employees or independent contractors; failure to comply will result in a penalty of \$200 for each misclassified worker.
HB 2034	Rep. Vo	Clarifies that an individual is not disqualified from receiving unemployment benefits if they left unsuitable work to attend training approved by the Texas Workforce Commission; provides a chargeback protection for employers related to claimants who leave unsuitable work to enter into approved training, or training under the Trade Adjustment Act.
HB 2035	Rep. Vo	Provides for the state to continuing the operation of the Short Term Compensation Program, commonly known as the Shared Work Program, by bringing state law into conformity with the changes to federal law.

Bill Number	Author	Summary of Key Provisions
SB 1226	Sen. Zaffirni	Establishes an employment-first policy and task force that promote opportunities for individuals with disabilities to earn a living wage with competitive employment through a collaborative effort between Health and Human Services Commission (HHSC), TEA, and TWC.
SB 1537	Sen. Deuell	Requires a chargeback to be made to an employer's account for unemployment benefits paid to a claimant, if the benefits were paid due to the failure of the employer to respond in a timely manner to a request for information relating to a claim.
SB 1557	Sen. Lucio	Instructs the Commissioner of Education to collaborate with TWC and the Higher Education Coordinating Board (THECB) to develop and implement a strategic plan for increasing private industry participation in early college high schools; creating incentives for businesses and nonprofits that choose to make donations under current statute and work with early college high schools to maximize job placement opportunities for program graduates.
SB 1892	Sen. Garcia	Expand the members and responsibilities of the Texas Coordinating Council for Veterans Services and the issues addressed by the Council's coordinating workgroups to include additional issues to be addressed such as transportation and women veterans.

**Texas Workforce Commission
Exhibit 13: 112th Congressional Chart**

Legislation – 112th Congressional Chart

Bill Number	Author	Summary of Key Provisions
HR 8	Congressman Camp (MI)	<p>Reauthorizes SNAP Employment and Training (SNAP E&T) and SNAP E&T funds from March 27, 2013 through the end of FY 2013. Extends for one year the Work Opportunity Tax Credit (Retroactive from December 31, 2011 and expires 12/31/13)</p> <p>One year extension of :</p> <ul style="list-style-type: none"> • Emergency Unemployment Compensation (EUC), (Expires 1/1/14) • Extended Benefits, (Expires 12/31/13) <p><i>Passed by 112th Congress; Became Public Law No: 112-240</i></p>
HR 2832	Congressman Camp (MI)	<p>On October 21, 2011, the President signed into law PL 112-40, which included the reauthorization of Trade Adjustment Assistance through December 31, 2013, and restores nearly all eligibility expansions from the 2009 reform.</p> <p><i>Passed by 112th Congress; Became Public Law No: 112-40</i></p>
HR 3630	Congressman Camp (MI)	<p>On February 22, 2012, the President signed into law PL 112-96. The measure extended the Temporary Assistance for Needy Families (TANF) through. Other TANF provisions in the law included:</p> <p><i>Data Exchange Standards:</i> Improves data matching and program integrity by requiring standardized data structures and HHS coordination of exchanges across state TANF programs.</p> <p>The measure includes numerous provisions relating to unemployment insurance including policy changes and the extension through the end of 2012 of Federal Emergency Unemployment Compensation. Unemployment insurance provisions included:</p> <p><i>Weeks of Benefits:</i></p> <ul style="list-style-type: none"> • Reduces by 30 weeks the maximum number of weeks of all UI benefits payable in states with average unemployment rates through the steps below. A state with an average unemployment rate of 8.3%, maximum weeks would fall from 93 weeks to 63 weeks in September 2012 and later. In September and later, only individuals in states with an unemployment rate above 9% would be eligible to receive a maximum number of weeks of 73 weeks of benefits, down from 99. • Eliminates up to 20 weeks of federal benefits currently payable (under the Extended Benefits or EB program) by maintaining the current “3-year lookback.”

		<ul style="list-style-type: none"> • Further reduces federal UI benefits by six weeks in September 2012 by reducing the Emergency Unemployment Compensation (EUC) program from its current 53-week maximum to a new maximum of 47 weeks. <p>Drug Testing - Permits all states to use drug testing to screen any UI applicants who either (1) lost their job because of drug use, or (2) are seeking a job that generally requires a drug test.</p> <p>Work Search - Creates national job search requirements for everyone collecting state and federal UI benefits, from the first through the last week of benefits.</p> <p>Reemployment Assessments - Requires reemployment eligibility assessments (REAs) for every long-term unemployed person who begins collecting federal UI benefits, to determine what services and activities they need to return to work.</p> <p>State Flexibility/Waivers:</p> <ul style="list-style-type: none"> • Allows up to 10 states to use UI funds to develop reemployment projects. <p>Passed by 112th Congress; Became Public Law No: 112-96</p>
S 365	Congressman Harkin (IA)	<p>Budget Control Act of 2011- the bill raised the debt ceiling by \$2.1 trillion but also included automatic across-the-board spending cuts worth about \$1.2 trillion starting in 2013 with 50 percent coming from defense and 50 percent coming from domestic programs.</p> <p>Passed by 112th Congress; Became Public Law No: 112-25</p>

**Texas Workforce Commission
Exhibit 13: 113th Congressional Chart**

Legislation – 113th Congressional Chart

Bill Number	Author	Summary of Key Provisions
*HR 803	Congresswoman Foxx (NC)	Supporting Knowledge and Investing in Lifelong Skills (SKILLS) Act, seeks to empower employers, rein in bureaucracy, and provide America’s workers with a more dynamic, flexible, and effective network of job training services. The legislation eliminates and streamlines 35 duplicative programs, including 27 identified in a 2011 report by the nonpartisan Government Accountability Office. The proposal creates a flexible Workforce Investment Fund to serve as a single source of support for workers, employers, and job seekers. The legislation allows state governors to consolidate additional employment and training programs and services at the state level to improve administrative efficiency. <i>Passed House of Representatives of the 113th Congress</i>
*S 1536	Sen. Murray(WA) & Sen. Isakson (GA)	Workforce Investment Act of 2013 keeps the current the current structure of federal job training programs intact; business represents the majority of the Local Workforce Boards; Governor chooses the chair of the Board; maintains the grandfather provisions; creates a one-stop delivery system; allows 100% flexibility between adult and dislocated worker funding streams; creates the Youth Innovation and Replication Grant; restores the WIA Statewide Activity Funds to 15% plus 5% for administration; reauthorizes the Rehabilitation Act. <i>Passed the U.S. Senate Health, Education, Labor and Pensions (HELP) Committee.</i>
*S 804	Sen. Portman (OH) & Sen. Bennett (CO)	Careers Through Responsive, Efficient, and Effective Retraining (CAREER) Act, decreases the number of job training programs; gives priority consideration to training programs that equip workers with credentials in high demand industries; establishes a pilot program to give states flexibility to use up to 25% of the WIA formula funds on training that is accountable and performance based and allows training providers to be reimbursed for services as they relate to the contractual negotiated outcomes; authorizes state workforce agencies to have access to the National Directory of New Hires. <i>Referred to U.S. Senate Health, Education, Labor and Pensions (HELP) Committee</i>
*HR 798	Congressman Tierney (MA)	Workforce Investment Act of 2013 would reauthorize the Workforce Investment Act. The bill aims to improve the current workforce system to build partnerships among employers, educators and the workforce to address a growing skills gap. The legislation also focuses on realigning training efforts with health care, advanced manufacturing and other high-growth sectors. <i>Referred to U.S. House Education and the Workforce Subcommittee on Higher Education and Workforce Training</i>

Bill Number	Author	Summary of Key Provisions
*S 954	Senator Stabenow (MI)	<p>Agriculture Reform, Food, and Jobs Act of 2013 reauthorizes agriculture and nutrition programs through 2018. The bill includes a reauthorization of the Supplemental Nutrition Assistance Program (SNAP) through 2018. The legislation increases accountability in the SNAP program to help prevent fraud, waste and abuse while at the same time, makes \$4 billion in cuts to the SNAP program over a 10 year period.</p> <p><i>Passed by the U.S. Senate; pending in the House of Representatives</i></p>
*HR 1947	Congressman Lucas (OK)	<p>Federal Agriculture Reform and Risk Management Act of 2013 extends most major federal farm, nutrition assistance, rural development and agricultural trade programs through FY 2018. Specific to the Supplemental Nutrition Assistance Program (SNAP), the legislation would reauthorize SNAP through 2018 and make reforms to program eligibility, close program loopholes, eliminate state performance bonuses, crack down on waste, fraud and abuse, prohibit government-sponsored recruitment activities, and strengthen program integrity and accountability.</p> <p><i>Failed passage by the House of Representatives</i></p>
*HR 2642	Congressman Lucas (OK)	<p>Federal Agriculture Reform and Risk Management Act of 2013, extends most major federal farm programs through FY 2018. The legislation does not address the Supplemental Nutrition Assistance Program (SNAP).</p> <p><i>Passed the House of Representatives pending in the U.S. Senate</i></p>

**Texas Workforce Commission
Exhibit 13: 83rd Legislative Session Chart
(Bills That Did Not Pass)**

Legislation Enacted – 83rd Legislative Session

Bill Number	Author	Summary of Key Provisions
HB 119	Rep. Larson	Required the reporting of citizenship information by persons who receive state and local money as well as services. Bill was introduced and referred to House State Affairs Committee.
HB 196	Rep. Farias	Required a study on the number of taxpayers that claim the earned income tax credit. Bill was introduced and referred to House Ways and Means Committee.
HB 271	Rep. Farias	Required the Comptroller to review ways for expanding the provision of information on the earned income tax credit. Bill was introduced and referred to House Ways and Means Committee.
HB 298	Rep. Rodriguez	Prohibited retaliation against an employee that sought recovery of unpaid wages. Bill was left pending by House Business and Industry Committee.
HB 372	Rep. Deshotel	Established the Workplace Fraud Prevention Act which concentrated on the proper classification of employees and providing for penalties. Bill was left pending by House Economic and Small Business Development Committee.
HB 494	Rep. Hernandez Luna	Extended the period which an employee may file a claim for unpaid wages. Bill was reported from House Economic and Small Business Development Committee.
HB 559	Rep. Burkett	Required the suspension of licenses held by employers that knowingly employ individuals not lawfully present in the United States. Bill was introduced and referred to House State Affairs Committee.
HB 587	Rep. Burnam	Lifted the ban on individuals held ineligible to receive Supplemental Nutrition Assistance Program (SNAP) benefits due to a previous drug related conviction as well as eliminating the denial of the household when the head of household does not participate in SNAP Employment and Training requirements. Bill was left pending by House Human Services Committee.

Bill Number	Author	Summary of Key Provisions
HB 660	Rep. Strama	Required TWC to develop, administer, and fund scholarships, bonuses, and wage supplements to eligible child-care workers. Bill was reported from House Economic and Small Business Development Committee.
HB 667	Rep. Martinez	Created an unlawful business practice when an employer does not permit an employee to use leave to care for the employee's foster child. Bill was reported from House Business and Industry Committee.
HB 676	Rep. Ratliff	Required state contractors to participate in federal electronic verification of work authorization program or E-verify. Bill was introduced and referred to House State Affairs Committee.
HB 950	Rep. Thompson, S	Clarified the statute of limitations under state law with regard to certain claims of unlawful discrimination brought under state law, and codifies the Lilly Ledbetter Act under state law. Vetoed by Governor.
HB 982	Rep. Elkins	Removed the eligibility for unemployment insurance benefits of individuals serving on the appraisal review board of an appraisal district. Bill was introduced and referred House Economic and Small Business Development Committee.
HB 1072	Rep. Allen	Eliminated the denial of the household when the head of household does not participate in SNAP Employment and Training requirements. Bill was reported from House Human Services Committee.
HB 1095	Rep. Canales	Provided eligibility for unemployment insurance benefits to school bus drivers. Bill was left pending by House Economic and Small Business Development Committee.
HB 1117	Rep. Davis, Y	Allowed employers that participate in E-Verify to verify information of new employees; however, the employer cannot misuse information obtained by E-Verify. The bill establishes the right for individuals to file complaints with TWC as well as a new cause of action. Bill was introduced and referred to House State Affairs Committee.
HB 1131	Rep. Gonzalez, M	Required TWC to establish a database and post online employers convicted of wage theft. Bill was reported from House Economic and Small Business Development Committee.

Bill Number	Author	Summary of Key Provisions
HB 1212	Rep. Canales	Provided for a differential employer tax rate for contributions under the unemployment insurance program applicable to wages paid to certain honorably discharged veterans. Bill was scheduled for hearing by the House Economic and Small Business Development Committee.
HB 1379	Rep. Toth	Established a method of investigating which federal funding programs have conditions attached to these dollars and providing for state remedies relating to those federal programs. Bill was reported as substituted from the Select on Federalism and Fiscal Responsibility.
HB 1419	Rep. Thompson	Required TWC to prepare a report on wage discrimination. Bill was left pending in House Economic and Small Business Development Committee.
HB 1447	Rep. Button	Required that governmental entities to participate in E-verify program. Required TWC to adopt rules and prescribe forms to implement the legislation. The bill further provides that should the employee of the governmental entity who is responsible for verifying a new employee's authorization to work fail to do so; the governmental employee is subject to immediate termination of employment. Bill was introduced and referred to House State Affairs Committee.
HB 1574	Rep. McClendon	Required TWC to collect, evaluate and report on statistical information relating to the existing workforce and employment needs, trends, and opportunities to include information regarding the number of full-time, part-time, permanent, and temporary workers by industry and region and a comparison between the number of available positions offering full-time employment and those offering part-time employment. Bill was reported from House Economic and Small Business Development Committee.
HB 1730	Rep. White	Required state contractors to participate in E-Verify program. Bill was introduced and referred to House State Affairs Committee.
HB 1787	Rep. Rodriguez	Repealed a discount on sale tax prepayments and allowed for this particular revenue to be used to support workforce training under the Skills Development Fund program. Bill was introduced and referred to House Ways and Means Committee.
HB 1955	Rep. Thompson	Provided rights and protections for domestic workers and hotel workers. Required TWC to investigate unlawful employment complaints filed by such individuals. Bill was left pending House Business and Industry.

Bill Number	Author	Summary of Key Provisions
HB 1987	Rep. Perry	Required staff leasing agencies to pay unemployment insurance taxes for client companies at the experience rate of the client company or a new rate if the company is not eligible for an experience rate. Bill was introduced and referred to House Economic and Small Business Development Committee.
HB 2203	Rep. Rodriguez	Created alternative pathways for high school students. TWC is on an advisory committee that assists in the development and implementation of the workforce certification program. Repealed a discount received on sale tax prepayments and allowed for this particular revenue to be used to support workforce training under the Skills Development Fund program. Bill was introduced and referred to House Economic and Small Business Development Committee.
HB 2301	Rep. Bonnen	Required state contractors and governmental entities to participate in E-Verify. Required TWC to receive and investigate complaints and conduct hearings, as necessary, regarding an employer who allegedly has knowingly employed a person not lawfully present in the United States. Bill was introduced and referred to House State Affairs Committee.
HB 2481	Rep. Alvarado	Established additional skills development fund program for community and technical colleges to provide customized training based on regional needs. Bill was introduced and referred to House Economic and Small Business Development Committee.
HB 2698	Rep. King, S	Required Texas Veterans Commission, Texas Education Agency, and TWC to study the feasibility of establishing an inter-agency program for veterans to seek employment in school security position. Bill was left pending by House Government Efficiency and Reform.
HB 3563	Rep. Murphy	Changed the requirements for the conditions that must be met before the waiting week is considered compensable under the unemployment insurance program. Bill was reported from House Economic and Small Business Development Committee.

Bill Number	Author	Summary of Key Provisions
HB 3625	Rep. Gonzalez, M	Required TWC to assess an administrative penalty when an employer fails to pay wages. Bill was introduced and referred to House Economic and Small Business Development Committee.
HB 3740	Rep. Burnam	Required TWC to determine the adjusted minimum wage for Texas employers. Bill was introduced and referred to House Economic and Small Business Development Committee.
HB 3856	Rep. Anchia	Modified the requirements for TWC's Commissioner Representing Employers. Creates a Texas Global Workforce Development Task Force and includes TWC as one of the agency members. Sets up an annual review of TWC's current funding allocations for programs to determine whether these are meeting workforce demands. Bill was introduced and referred to House International Trade and Intergovernmental Affairs.
SB 10	Sen. Van de Putte	Modified the hiring practices used by state agencies relating to veterans; established a percentage of an agency's workforce that are veterans; and required large state agencies to have a veteran liaison. Makes the College Credit for Heroes Program at TWC a permanent program. Improves state purchasing for veterans. Bill was set on House Calendar.
SB 51	Sen. Zaffirni	Provided for the eligibility and chargeback protection under the unemployment compensation program for certain persons who are victims of sexual assault. Bill was voted from House Economic and Small Business Development Committee.
SB 237	Sen. Van de Putte	Prohibited employment discrimination based on general identity, sexual orientation, or expression. Bill was left pending by Senate Economic Development Committee.
SB 340	Sen. Rodriguez	Required TWC to assess an administrative penalty when an employer fails to pay wages. Bill reported from the House Economic and Small Business Development Committee.
SB 432	Sen. Patrick	Removed the eligibility for unemployment insurance benefits of individuals serving on the appraisal review board of an appraisal district. Bill was introduced and referred Senate Economic Development Committee.

Bill Number	Author	Summary of Key Provisions
SB 442	Sen. Birdwell	Granted paid leave to state employees who are reemployed by a state agency after military service to tend to matters relating to the employee's military service or reintegration into civilian life. Set on House Calendar.
SB 541	Sen. Watson	Required state agencies to include in their annual financial reports an explanation of the amount of federal funding the agency uses to fund agency operations and the amounts of any increases in federal funding that would be available to the agency if state funding for agency operations were increased. Sent to Subcommittee of Senate Finance.
SB 738	Sen. Watson	Established the Essential Worker Program at TWC to provide an adequate, legal, and stable workforce for employers in this state who are experiencing a critical shortage in the availability of qualified workers, particularly in the ranching, farming, dairy, food manufacturing, construction, landscaping, and restaurant and hotel services industries. Bill was introduced and referred Senate Economic Development Committee.
SB 741	Sen. Rodriguez	Extended the period which an employee may file a claim for unpaid wages. Bill was reported as substituted from House Economic and Small Business Development Committee.
SB 879	Sen. Ellis	Eliminated the denial of the household when the head of household does not participate in SNAP Employment and Training requirements. Bill was introduced and referred to Senate Health and Human Services Committee.
SB 959	Sen. Fraser	Required staff leasing agencies to pay unemployment insurance taxes for client companies at the experience rate of the client company or a new rate if the company is not eligible for an experience rate. Bill was introduced and referred to Senate Economic Development Committee.

Bill Number	Author	Summary of Key Provisions
SB 1336	Sen. Lucio	Established the Texas Commission on Immigration and Migration and migrant worker visa project. TWC's Executive Director is on the Commission. Pilot project is intended to encourage, facilitate, and support the migration of legal Mexican migrant workers to Texas for the purpose of filling skilled and unskilled jobs Texas businesses most need. Under the legislation, an advisory committee is created to perform studies outlined in legislation for the Migrant Worker Visa Pilot. Bill was introduced and referred to Senate Agriculture, Rural Affairs, and Homeland Security Committee.
SB 1704	Sen. Lucio	Provided that TWC create a pilot guest worker program and enter into an agreement with the appropriate federal agency to grant waivers for the pilot. Required TWC to issue an identification card for those that participate in the program. Bill was left pending by Senate Agriculture, Rural Affairs, and Homeland Security Committee.
SB 1743	Sen. Rodriguez	Provided a private cause of action for employees that have been retaliated against by their employers for seeking private assistance in recovering unpaid wages or for filing a claim for unpaid wages. Bill was left pending by Senate Economic Development Committee.

IX. Major Issues

The purpose of this section is to briefly describe any potential issues raised by your agency, the Legislature, or stakeholders that Sunset could help address through changes in statute to improve your agency's operations and service delivery. Inclusion of an issue does not indicate support, or opposition, for the issue. Instead, this section is intended to give the Sunset Commission a basic understanding of the issues so staff can collect more information during our detailed research on your agency. Some questions to ask in preparing this section may include: (1) How can your agency do a better job in meeting the needs of customers or in achieving agency goals? (2) What barriers exist that limit your agency's ability to get the job done?

Emphasis should be given to issues appropriate for resolution through changes in state law. Issues related to funding or actions by other governmental entities (federal, local, quasi-governmental, etc.) may be included, but the Sunset Commission has no authority in the appropriations process or with other units of government. If these types of issues are included, the focus should be on solutions which can be enacted in state law. This section contains three components:

Brief Description of Issue.

Background. Include enough information to give context for the issue. Information helpful in building context includes:

- What specific problems or concerns are involved in this issue?
- Who does this issue affect?
- What is the agency's role related to the issue?
- Any previous legislative action related to the issue?

Possible Solutions and Impact. Provide potential recommendations to solve the problem. Feel free to add a more detailed discussion of each proposed solution, including:

- How will the proposed solution fix the problem or issue?
- How will the proposed change impact any entities or interest groups?
- How will your agency's performance be impacted by the proposed change?
- What are the benefits of the recommended change?
- What are the possible drawbacks of the recommended change?
- What is the fiscal impact of the proposed change?

Complete this section for each policy issue. Copy and paste boxes A through C as many times as needed to discuss each issue. See Policy Issue Example or [click here to link directly to the example](#).

BUSINESS OPERATIONS

Business Operations Major Policy Issue

ISSUE 1: TWC has no statutory authority to purchase on behalf of Local Workforce Development Boards (Boards).

A. Brief Description of Issue

Federal law provides that an agency or Board meets federal procurement and competition requirements if it follows state purchasing laws. Current Texas statute provides that the State's purchasing authority can be delegated to any agency. TWC has such delegated purchasing authority but it is limited to TWC purchasing on behalf of its own needs and does not extend to purchasing on behalf of a Board. While TWC extends the contract prices and conditions of any TWC-issued contract for its goods and services to a Board through its standard terms and conditions, the Board must conduct its own procurement to exercise that term provision. With statutory authority the Boards could leverage TWC's competitive procurement to satisfy the Boards' federal requirements related to competition and procurement documentation should there be a financial or administrative benefit for Boards to buy from an existing TWC contract.

B. Discussion

Texas Government Code provides similar purchasing exemptions and delegated authority for other agencies under Title 10, Chapter 2155, Subchapter C, -.143 through -.150. Current statutory definitions of a Board as it relates to eligibility and authority vary to serve specific purposes within statute and may need to be considered in defining this authority.

C. Possible Solutions and Impact

Add TWC as an additional agency exempted under Texas Government Code, Section 2155, Subchapter C, following TGC 2155.150:

Certain Purchases by Texas Workforce Commission. TWC may acquire goods and services on behalf of Local Workforce Development Boards, as defined by TGC, Chapter 2308, Subchapter F, in support of the Board's workforce development programs by the method that provides the greatest volume discount for the goods or services, including group purchasing programs, state agency purchasing consortiums, or competitive sealed proposals.

FINANCE

Finance Major Policy Issue

ISSUE 2: Should statutory authorization continue for the Employment and Training Investment Assessment (ETIA), and if so, should certain other authorizations be provided?

A. Brief Description of Issue

The Commission must determine whether on October 1 of a year the Unemployment Compensation Fund amount is above or below 100 percent of its “floor.” If they find that the amount is above 100 percent of its “floor,” then they must transfer to the skills development fund from the Employment and Training Investment Assessment (ETIA) Holding Fund an amount not to exceed the amount appropriated by the Legislature to the TWC skills development program strategies and activities in that biennium. If they find that the amount is at or below 100 percent of the floor, then they must transfer from the ETIA Holding Fund the amount that is necessary to increase the amount in the Unemployment Compensation Fund to 100 percent of its floor, up to and including the entire amount in the Holding Fund.

Since this authorization was originally provided, changes have occurred which have resulted only in potential transfers (A) to offset General Revenue Fund appropriations for the TWC skills development program (when the Commission determines that the Unemployment Compensation Fund amount is above 100 percent of its floor) or (B) to the Unemployment Compensation Fund (when the Commission determines that the Unemployment Compensation Fund amount is at or below 100 percent of its floor). Additionally, in such case as when the Commission determines that the Unemployment Compensation Fund amount is above 100 percent of its floor, there is a significant chance that as much as three-fourths of the amount in the ETIA Holding Fund could be stranded. As this is a significant departure from the original purposes and design for the ETIA, it becomes an issue that should be addressed.

B. Discussion

The 80th Texas Legislature in 2005 enacted amendments adding a new Subchapter G to Chapter 204 of the Texas Unemployment Compensation Act (TUCA), creating the Employment and Training Investment Assessment (ETIA) as a means of providing financing for the skills development program and job creation initiatives through local economic development programs. The ETIA was imposed beginning in calendar year 2006 on all contributing employers as a separate assessment equal to one-tenth of one percent (0.1 percent) of wages paid by the employer, while the Replenishment Tax and the new employer initial tax rate were reduced by the 0.1 percent, so that there would be no increase to employers in the total effective tax rate. The ETIA became due at the same time, collected in the same manner, and is subject to the same penalties and interest as the other state unemployment taxes. Revenue collected from the ETIA is deposited into the ETIA Holding Fund.

If on September 1 of each year the Commission determines that the amount in the Unemployment Compensation Fund will on October 1 exceed 100 percent of its floor, then revenue from the ETIA Holding Fund may be transferred to the skills development fund. [Originally, this authorized transfer was also designated to the Texas Enterprise Fund. This authorization was eliminated in legislation enacted in 2011. Additionally, as there is no Skills Development Fund as a fund in the State Treasury, this authorization was operationalized as an offset of appropriations that have been made from the General Revenue Fund for the TWC skills development program and strategies.]

If on September 1 of a year the Commission determines that the amount in the Unemployment Compensation Fund will on October 1 be at or below 100 percent of its floor, then the Commission is required to transfer revenue from the ETIA Holding Fund to the Unemployment Compensation Fund as needed to raise the amount in the Unemployment Compensation Fund to its floor, up to and including the entire amount in the ETIA Holding Fund.

TUCA provides that the Unemployment Compensation Fund must be kept within a designated range, and when the balance in the Fund falls outside of this range, various adjustments are triggered. If on October 1 of a year the Unemployment Compensation Fund balance falls below the “floor” (which is equivalent to the greater of \$400 million or one percent of total taxable wages for the four calendar quarters preceding June 30th), or will exceed 100 percent of the floor, then §204.123 of TUCA provides that transfers to the Skills Development Fund or the Unemployment Compensation Fund are determined and directed. [The Commission is not specifically required by statute to consider or otherwise take into account the outstanding indebtedness of bonds that have been issued from time to time to (a) compensate for insufficient amounts in the Unemployment Compensation Fund to pay for appropriate unemployment claims filed in Texas, and (b) borrow necessary amounts through the credit market to pay unemployment claims while avoiding the higher interest costs associated with Federal Title XII advances. (The 2003 and 2010 bond issuances were formally called Unemployment Compensation Obligation Assessment Revenue Bonds.) Amendments to TUCA adopted in 2003 provide that if the Commission determines that the issuance of bonds is necessary to reduce or avoid the need to borrow or obtain a federal advance under Section 1201 of the Social Security Act— and will result in a savings to the state and to employers in this state — then the Commission may authorize such a bond issuance to repay Federal Title XII advances and replenish the Unemployment Compensation Fund to enable payment of additional unemployment compensation claims. However, the Commission does not have requirement in TUCA to take these borrowed amounts into consideration when making decisions linked to the balance in the Unemployment Compensation Fund.]

Since inception, amounts in the ETIA Holding Fund have been transferred three times to the Texas Enterprise Fund (\$41.5 million in FY 2007, \$67.7 million in FY 2008, and \$52.3 million in FY 2009) and to offset General Revenue Fund appropriations for the TWC skills development program (\$20.5 million in FY 2007, \$20.0 million in FY 2008, and \$20.0 million in FY 2009). For all other years, the amounts in the ETIA Holding Fund have been transferred to the Unemployment Compensation Fund (\$104.8 million in FY 2010, \$82.6 million in FY 2011, \$87.0 million in FY 2012, and \$92.7 million in FY 2013).

Now that transfer authority has been amended, should the Commission determine that the amount in the Unemployment Compensation Fund will on October 1 exceed 100 percent of its floor, then revenue from the ETIA Holding Fund may be transferred to offset the General Revenue Fund appropriation for the TWC skills development program, but no other transfers would be authorized. For the FY 2014-15 biennium, General Revenue Fund appropriations for the TWC skills development program strategy total \$46.6 million. ETIA revenues total approximately \$96 million per year, although transfers to offset these General Revenue Fund appropriations may not occur for several years from now. [TUCA (Labor Code §204.123(a)(2) and §302.101) provides that, in years when the Commission determines that the amount in the Unemployment Compensation Fund exceeds 100 percent of its floor, certain amounts must be transferred to the Training Stabilization Fund; however, the Training Stabilization Fund was never a fund created in the State Treasury, and therefore, no such transfers could be made.]

C. Possible Solutions and Impact

If it is determined that the ETIA should continue, then a determination should also be made as to transfers when the Commission determines that the amount in the Unemployment Compensation Fund will on October 1 exceed 100 percent of its floor. On a current year basis-- and if the Commission determined that the Unemployment Compensation Fund would exceed 100 percent of its floor-- then revenue from the ETIA Holding Fund transferred to offset the General Revenue Fund appropriations for the TWC skills development program strategy would total only approximately one-fourth of the amount of ETIA revenues that would stand to be received. Therefore, approximately three-fourths of the ETIA revenues could become stranded in the ETIA Holding Fund.

A specific statutory requirement should be provided for the Commission to take into account functionally related outstanding balance of bonded indebtedness when making a determination of whether the Unemployment Compensation Fund is above or below its floor for purposes of transferring employment and training investment holding fund amounts according to Texas Labor Code §204.123. If it is determined that the ETIA should continue this statutory requirement would provide additional clarity with respect to the Commission's fiduciary responsibilities regarding the Unemployment Compensation Fund and enhance the viability of the Unemployment Compensation Fund, particularly during periods of economic downturns.

OFFICE OF GENERAL COUNSEL

OGC Major Policy Issue

ISSUE 3: Classification of the workforce boards as non-governmental entities.

A. Brief Description of Issue

Local Workforce Development Boards (“LWDBs”) are quasi-governmental entities incapable of invoking sovereign immunity. The Texas Legislature has made a conscious decision to treat LWDBs variously in different circumstances as state or local governmental entities or nonprofit human services organizations. In HB 936 (77th R Session), the Legislature allowed LWDBs to share with local and state governments certain rights where they would benefit financially. They also made boards subject to the disclosure and open government provisions by which both local and state governments must abide.

If LWDBs were either state or local governmental entities, the Legislature would not have taken the approach of treating them as such governmental bodies for certain purposes only. They would have all rights and responsibilities of that level of government instead of only those specifically granted.

B. Discussion

LWDB’s were not specifically designated as either governmental entities or political subdivisions when the boards were created under the Workforce and Economic Competitiveness Act. Because it was not always clear whether the boards were subject to specific statutes applicable to governmental entities and political subdivisions, the Legislature enacted House Bill 936 in 1977. It made the boards subject to certain laws applicable to governmental entities and political subdivisions, thereby treating them as governmental entities or political subdivisions for certain purposes.

HB 936 amended both the Government and Local Government Codes. It made LWDB’s subject to the Interagency Cooperation Act and to provisions relating to open meetings, public information, state cooperation in local purchasing programs, and surplus and salvage property.

For purposes of the Open Meetings Act and the Public Information Act, it made LWDB’s “governmental bodies.” For purposes of interagency cooperation, the bill made LWDB’s a state “agency.” LWDB’s were named as “local government” for purposes of the comptroller providing purchasing services.

They also were permitted access to surplus and salvage state property by terms of the bill. They were defined as an “assistance organization” in the same category as other nonprofit health, educational, or human services organization. It is important to note that HB 936 expressly did not place LWDB’s into the category of a “state agency” or a “political subdivision” for purposes of surplus and salvage property.

It is also of importance to recognize that in its initial form, HB 936 defined LWDB’s as a “governmental unit” subject to immunity in the Texas Tort Claims Act. However, sufficient objections were raised during the session, that the author, Rep. Jim Solis, removed this provision.

The Legislature also since 1997 has treated LWDB’s in the General Appropriations bills as “state agencies” for travel purposes only mandating that they comply with state travel regulations when using state-appropriated funds to reimburse or otherwise pay travel expenses of employees.

The Legislature, particularly with HB 936, but also in the General Appropriations Acts, clearly has shown its intent to treat LWDB's as various types of governmental bodies, but only in limited circumstances that assist the public in having more information about the workings of LWDB's and in providing financial assistance to the LWDB's.

C. Possible Solutions and Impact

Legislative change to designate Boards as non-governmental entities.

REGULATORY INTEGRITY DIVISION

RID Major Policy Issues

ISSUE 4: Authority to Obtain Incarceration Records from DPS

A. Brief Description of Issue

The TWC needs Department of Public Safety (DPS) incarceration records to prevent the filing of Unemployment Insurance claims by incarcerated individuals, and to help investigate continued claim filing and use of Unemployment Insurance debit cards while claimants are incarcerated.

DPS currently has the incarceration data needed by the TWC but may not be allowed to share it by contract with other state agencies due to existing law. Because the TWC currently needs this information to prevent such fraudulent filings for benefits, it is in the process of negotiating a contract to obtain incarceration data and 100 JusticeXchange portal licenses from Appriss Inc. (a private vendor) for \$17,000 a month.

B. Discussion

Current law relating to the TWC's accesses to criminal history information permits such access only as it relates to a person who is an applicant for a security sensitive position.

Amending existing law to allow the TWC to obtain criminal history record information from the DPS would assist TWC in preventing ineligible individuals from receiving benefits and/or for detecting and investigating potential crimes against TWC programs.”

C. Possible Solutions and Impact

Add language to allow the TWC to obtain DPS incarceration information (federal, state, county and municipal) for purposes of preventing, detecting and investigating crimes against TWC programs. Such an amendment would enable TWC to more efficiently and effectively investigate, prevent and prosecute potential criminal activity against TWC involving incarcerated individuals.

RID Major Policy Issues

ISSUE 5: Authority to Obtain Death Records from DSHS Bureau of Vital Statistics

A. Brief Description of Issue

Currently, when an initial claim for Unemployment Insurance benefits is filed, the TWC can obtain Death Record information from the Social Security Administration through a batch process. This information, however, has proven universally unreliable, and is therefore unusable. To obtain reliable death information, the TWC is currently brokering a data sharing agreement with Texas Department of State Health Services (DSHS) Bureau of Vital Statistics. However, DSHS is without legal authority to transfer SSN information to the TWC, so the TWC must, instead, transfer the Unemployment Insurance claimant data to DSHS for a weekly cross-match. If the TWC had the authority to directly obtain death records from DSHS, the TWC could use these records to check in real-time if someone is trying to use a deceased person's identity to file for benefits. This would allow the TWC to prevent payment, instead of merely detecting a loss after the benefit has been paid. Additionally, this information would timely notify the TWC when a current customer died and is no longer eligible for benefits.

B. Discussion

For the purpose of preventing and detecting fraud, waste and abuse in TWC programs, which comports with Governor Perry's Executive Order RP36, Relating to Preventing, Detecting and Eliminating Fraud, Waste and Abuse (issued July 12, 2004), recommend the DSHS Bureau of Vital Statistics be given the authority to furnish each week to the TWC information relating to deceased residents of the state. Recent testing, using previous years' vital statistics death data, indicate that people are perpetrating fraud against TWC programs by hijacking deceased claimants' benefits. Obtaining weekly vital statistics death data from DSHS will rapidly detect theft and prevent or reduce losses the Unemployment Insurance Trust Fund and other TWC programs.

C. Possible Solutions and Impact

Add language authorizing the Department of State Health Services to furnish information related to deceased residents of Texas to the commission. Allowing access to the death information at DSHS will allow TWC to investigate, prevent, and prosecute possible criminal activity against TWC programs. This information can be used to stop payment of benefits to deceased persons.

Workforce Development

Workforce Development Major Policy Issue

ISSUE 6: Strengthen Tuition Protections for Students of Career Schools and Colleges

A. Brief Description of Issue

Student tuitions at Career Schools and Colleges in Texas have doubled during the past ten years, to an estimated \$1 billion per year, but the Career School and College Trust Account (TTA)—created by the Legislature to protect the tuition payments made by students—has not contemporaneously increased its capacity. An enhanced level of tuition protection would help ensure that the TTA has the capacity to fund completion of student training or student refunds in the event that a school closes.

Several actions could be taken to strengthen tuition protections for students. Achieving this enhanced level of security would not cost taxpayers, and no fee increase for regulated career schools and colleges would be required.

The proposed steps include:

- Increasing the balance of the career schools and colleges Tuition Trust Account from \$1,000,000 to an indexed amount not to exceed the equivalent of 1 percent of estimated outstanding tuitions.
- Increasing the maximum amount available for refunds due to a career school or college closure from \$150,000 to \$500,000.
- Authorize TWC to seek subrogation for amounts paid from the TTA.

B. Discussion

In 2003, the Career School and College TTA was established pursuant to Section 132 of the Education Code. The TTA is intended to protect the tuition payments made by students. The TTA and the use of the funds of the Account are limited as follows:

- the balance may not exceed \$1 million; and
- for each closed career school or college, refunds may not exceed \$150,000.

Change in Financial Risk Due to School Closures

When a career school or college closes and the closure prevents students from completing their program, Texas Education Code (TEC), Section 132.242(a) states that the commission shall attempt to arrange for a student to attend another school or college to be taught-out and complete their training. If this is not possible, or if a student declines to participate in a teach-out, the student is due a refund for coursework not completed.

The TTA can be used to fund the costs of a teach-out with no restriction on the amount of funds from the TTA that can be used. However, if a teach-out is not arranged, Section 132.2415(d) of the Education Code provides that the Commission shall attempt to provide a full refund of the amount owed to each student of a closed career school or college. A partial refund may be provided only if the amount in the Career School and College Trust Account is insufficient to provide a full refund. Additionally, if the total unpaid refunds due for a school closure exceed \$150,000, each student receives the same reduced percentage repayment of their refund.

Since the statutory changes in 2003 - establishing the \$1 million maximum on the TTA and the maximum of \$150,000 in refunds that may be paid per school closure - the value of tuition payments made by students in Texas to career schools and colleges has increased significantly.

- the number of regulated career schools and colleges in Texas has increased from 371 in FY 2002 to 532 in FY 2012;
- the average tuition for licensed career school vocational programs has increased from \$2,623 in FY 2003 to \$6,600 in FY 2011; and

Since 2003, students in three of the nineteen career school and college closures which required refund payouts from the Tuition Trust Account did not receive the full amount that they would have been able to receive because of the current \$150,000-per-school limitation. Based on tuition levels, the risk is high that future refunds paid from the TTA due to school closure will exceed the \$150,000 cap.

With a current average school enrollment of 336 students per school, the average tuition risk associated with a school closure is \$2.2 million, reflecting more than a 100 percent increase since 2003, when the average tuition risk per school closure was 1,092,084. The current \$2.2 million average tuition risk per school far exceeds the \$150,000 cap per school closure, and given the \$1 million cap on the total balance of the TTA, the risk is high that several closures in one year could exceed the total available funds in the TTA.

Subrogation Authority

For schools that are currently licensed, refunds may be identified as the result of a site visit's file review or as the result of a complaint. A refund order is made, and the school is obligated to pay the refunds due, or lose its certificate of approval. In this situation, the motivation to keep the school's certificate of approval tends to achieve payment of the refunds.

If a school closes with unpaid refunds, the refunds to students may be paid from the TTA. However, TWC does not have the authority to pursue litigation, through the Office of the Attorney General, to seek reimbursement of the funds paid from the TTA. With such authority, TWC could move quicker to pay refunds from the TTA rather than continuing to pursue the payment of full refunds by the owner delaying reimbursement to students. Additionally, the authority to subrogate for payments made from the TTA would hold owners financially responsible and protect the funds of the TTA.

C. Possible Solutions and Impact

Recommendations to more closely align the protections of the TTA with the current financial risk to students of career school closures include:

- Increasing the Career School and College Trust Account balance not-to-exceed amount. One option would be to increase the maximum balance to the equivalent of 1 percent of estimated outstanding tuitions. This level would take several years to achieve, but would provide a significantly enhanced level of tuition protection in Texas.
- Increasing the not-to-exceed amount per closed career school or college from \$150,000.
- Authorizing TWC to seek subrogation of refunds paid from the TTA.

There is no projected additional cost due to the above recommendations to TWC, regulated schools, taxpayers, or to local government. Although Section 132.2415(b) of the Education Code provides that, in order to pay the liabilities of the TTA, the Commission may collect an annual fee from career schools not to exceed 0.2 percent of the gross amount of tuition and fees charged by career schools and colleges in

that year, Section 132.2415 (c) provides that if, at the end of a fiscal year, the Commission determines that fees collected from career schools or colleges in that year exceed the amount necessary to defray the expense of administering Chapter 132, the Commission may transfer any portion of the excess amount to the TTA. Since the creation of the TTA in 2003, the fund balance has been maintained at \$1 million solely by the transfer of excess funds and without a special assessment.

Workforce Development

Workforce Development Major Policy Issue

ISSUE 7: Several Statutory Provisions Have Become Obsolete and Do Not Reflect Current Operations

A. Brief Description of Issue

Delete statutory provisions that are no longer relevant or have become obsolete.

B. Discussion

Over time, legislative actions are taken to make certain statutory provisions obsolete or no longer necessary. However, the provisions remain in statute. Several such provisions have noted in Program Descriptions included in the Sunset Self-Evaluation Report (SER); however, others do not fall within a specific program area included in the Program Description section of the SER. Thus, a general cleanup of the Labor Code and Education Code relating to programs administered by the Texas Workforce Commission staff is recommended.

The attached statutory provisions are no longer reflective of TWC operations. During the Sunset Commission's review of agency operations and statutory provisions, it is recommended that these provisions of statutes be deleted.

C. Possible Solutions and Impact

Delete the attached statutory provisions, as they are no longer necessary or in use. There would be no impact on agency customers as a result of these actions.

Obsolete Statutes Recommended for Removal

Statute	Section	Recommendation
<p>Labor Code</p> <p>Chapter 302 Division of Workforce Development</p> <p>Subchapter A. General Provisions</p>	<p>Sec.302.005. Child-Care Training Center Pilot Programs</p> <p>(a)The commission shall establish four pilot programs in which the division shall certify day-care facilities licensed under Chapter 42, Human Resources Code, as training centers that offer training and certification for recipients of public assistance in basic skills, child care, child-care vendor entrepreneurial training, and early childhood education. The commission shall determine the pilot sites, with at least one site in an urban area and at least one site in a rural area.</p>	<p>Recommend removal - pilots completed</p>
<p>Labor Code</p> <p>Chapter 302 Division of Workforce Development</p> <p>Subchapter A. General Provisions</p>	<p>Sec.302.006. Professional Child-Care Training Scholarships, Bonuses, and Wage Supplementation</p> <p>(a)The commission may develop and administer a program under which the commission awards scholarships in the amount of \$1,000 each for professional child-care training to eligible recipients.</p>	<p>Recommend removal - Train Our Teachers (TOT) program no longer funded</p>
<p>Labor Code</p> <p>Title 4. Employment Services and Unemployment</p> <p>Subtitle B. Texas Workforce Commission: Workforce Development; Employment Services</p>	<p>Sec. 302.008. STATEWIDE TECHNOLOGY WORKFORCE CAMPAIGN. The commission shall develop an information and marketing campaign designed to encourage residents of the state to enter the technology workforce. The campaign shall target populations that are traditionally economically disadvantaged and underrepresented in the technology workforce.</p>	<p>Recommend Removal – campaign completed</p>
<p>Labor Code</p> <p>Title 2. Protection of Laborers</p> <p>Subtitle D. Employee Benefits</p> <p>Chapter 81. Work and Family Policies</p>	<p>Sec.81.0045 (a) The clearinghouse may establish a grant program to provide funds to public or private persons to conduct demonstration dependent care projects.</p> <p>Sec 81.0046 (3)providing technical assistance to employers who establish employee dependent care benefit programs, including assistance in obtaining federal and state tax incentives.</p>	<p>Recommend Removal – no longer funded</p>
<p>Labor Code</p> <p>Chapter 301 Texas</p>	<p>Sec. 301.0611. COORDINATION OF CERTAIN AWARDS AND INCENTIVES. The commission, in cooperation with the Texas Education Agency, the comptroller, and the Texas Higher Education</p>	<p>Recommend removal – legislation passed during the most recent legislative session</p>

Statute	Section	Recommendation
Workforce Commission Subchapter D. General Power and Duties of Commission and Executive Director	Coordinating Board, shall prepare and make available to the public a list of all awards and incentives available for business participation in: (1) a school district's career and technology education program under Subchapter F, Chapter 29, Education Code; or (2) any other career and technology education training.	Redefines the coordination efforts between TWC, the Texas Education Agency, and the Texas Higher Education Coordinating Board
Labor Code Chapter 302 Division of Workforce Development Subchapter B. Jurisdiction of Division of Workforce Development	Sec.302.021. (a)The following job-training, employment, and employment-related educational programs and functions are consolidated under the authority of the commission: (9)the reintegration of offenders program under Chapter 306; (10)the inmate employment counseling program; (11)the continuity of care program under Section 501.095, Government Code;	Recommend removal – Project Rio no longer funded
Labor Code Chapter 302 Division of Workforce Development Subchapter D. Allocation of Funds; Block Grant Program	Sec.302.062. Block Grants to Local Workforce Development Areas (g)Block grant funding under this section does not apply to: (5)the reintegration of offenders program under Chapter 306; (7)the continuity of care program under Section 501.095, Government Code;	Recommend removal – Project Rio no longer funded
Labor Code Chapter 306 Project RIO (Reintegration of Offenders)		Recommend removal – Project Rio no longer funded
Labor Code Chapter 308 Texans Work Program		Recommend removal – incorporated into the TANF Choices and Supplemental Nutrition Assistance Program Employment and Training programs
Labor Code Chapter 310 Child-Care Resource and Referral Network		Recommend removal – duplicative of provision of 211 services under 531.0312 of the Human Resources Code

Statute	Section	Recommendation
<p>Education Code Chapter 133.006 Apprenticeship System of Adult Career and Technology Education; Appropriation and Distribution of Funds</p>	<p>(b) The commission shall prepare an update to the Apprenticeship Related Instruction Cost Study adopted by the State Board of Education on February 10, 1973, prior to each biennial session of the legislature.</p>	<p>Recommend removal – no longer necessary because the Apprenticeship Training Advisory Committee, a subcommittee of TWIC, annually makes recommendations for program funding, including maximum contact hour rate and instructor training costs</p>
<p>Human Resources Code Title 2. Department of Human Services and Department of Protective & Regulatory Services Subtitle C. Assistance Programs Chapter 31. Financial Assistance and Service Programs</p>		<p>Recommend removing obsolete provisions and updating terminology</p>
<p>Human Resources Code Title 2. Department of Human Services and Department of Protective & Regulatory Services Subtitle D. Department of Family and Protective Services; Child Welfare and Protective Services Chapter 44. Administration of Federal and State Day- Care Programs Subchapter A. Federally Established Day-Care Programs</p>		<p>Recommend removal and update Section 302. 021 of the Labor Code to delete references to Chapter 44 of the Human Resources Code to reflect current operations</p>

X. Other Contacts

A. Fill in the following chart with updated information on people with an interest in your agency, and be sure to include the most recent e-mail address.

Exhibit 14: Contacts			
INTEREST GROUPS (groups affected by agency action or that represent others served by or affected by agency actions)			
Group or Association Name/ Contact Person	Address	Telephone	E-mail Address
Alamo Colleges, Federico Zaragoza	201 W. Sheridan, San Antonio, TX 78204	(210) 485-0015	fzaragoza@alamo.edu
Astrotech Headquarters, Sha-Chelle Manning	401 Congress Ave., Suite 1650, Austin, Texas 78701	(214) 205-7819	shachelle@shachelle.com
Arlington Chamber of Commerce, Wes Jurey	505 East Border, Arlington, TX 76010	(817) 543-4280	wjurey@arlingtontx.com
Austin Chamber of Commerce, Adriana Cruz	210 Barton Springs Road, Ste 400, Austin, TX 78704	(512) 322-5626	acruz@austinchamber.com
Austin Tenant's Council, Kathy Stark, Executive Director	1640-B East 2 nd Street, Suite 150, Austin, Texas 78702		
Austin Vet Center, OIF/OEF Veteran Outreach, Jaime Nicoletti	Austin Vet Center, #703, Southcliff Bldg., North Entrance, 2015 S. IH 35, Suite 101, Austin, TX 78741	(512) 416-1314	jaime.hamilton@va.gov
BASF, Joe Arnold	1122 Colorado Street, Suite 2310, Austin, Texas 78701	(512) 499-6175	joe.arnold@basf.com
Bay Area Houston Economic Partnership, Bob Mitchell	18045 Saturn Ln, Houston, TX 77058	(832) 536-3255	bob@bayareahouston.com
Blinn College, Milton Radke	P.O. Box 6030, Bryan, Texas 77805-6030	(979) 209-7379	mrادke@blinn.edu
Boeing Company, Jeffrey A. Dodson	100 Congress Ave, 21st Floor, Austin, TX 78701	(512) 391-4945	jeffrey.a.dodson@boeing.com
Bush School of Government & Public Service, Andrew Card	2132 Allen Building, College Station, Tx 78743	(979) 862-8007	acard@bushschool.tamu.edu
Children's Learning Institute, Dr. Susan Landry	Children's Learning Institute, 7000 Fannin, Suite 2300, Houston, TX 77030	(713) 500-3709	Susan.Landry@uth.tmc.edu
Coalition of Texans with Disabilities, Dennis Borel, Executive Director	316 W. 12th Street Ste. 405, Austin, Texas 78701	(512) 478-3366	dborel@cotwd.org
Corpus Christi Regional Economic Development Corporation, John Plotnik	800 North Shoreline, Suite 1300 South, Corpus Christi, TX 78401	(361) 882-7448	jplotnik@ccredc.com

Group or Association Name/ Contact Person	Address	Telephone	E-mail Address
Council on Children and Families, Kim Wedel, Presiding Officer	Brown-Heatly Public Hearing Room 1430, 4900 North Lamar Blvd, Austin, Texas	(512) 424-4000	Kim.Wedel@dars.state.tx.us
Disability Rights Texas, Mary Faithfull	2222 West Braker Lane, Austin, Texas 78758	(512) 454-4816	
Dow Chemical Company, Steve Hazlewood	604 West 14th Street, Austin, TX 78701	(512) 472-5995	smhaz@dow.com
DOW, Douglas Whipple	2301 N. Brazosport Blvd., APB Building, Freeport, Texas 77541	(979) 238-9636	dpwhipple@dow.com
Exxon Mobil Corporation, Truman T. Bell	5959 Las Colinas Boulevard, Irving, Texas 75039-2298	(972) 444-1121	truman.t.bell@exxonmobil.com
Fair Housing Council of Greater San Antonio, Sandra Tamez, Executive Director	4414 Centerview Drive, Suite 229, San Antonio, Texas 78228	(210) 733-3247	Sandra@myfairhousing.org
Frisco Economic Development Corporation, Nancy Windham	6801 Gaylord Parkway, Suite 400, Frisco, TX 75034	(972) 292-5158	nwindham@friscoedc.com
Greater Houston Fair Housing Center, Daniel Bustamante, Executive Director	P.O. Box 292, Houston, Texas 77001-0292	(713) 641-3247	houstonfairhousing@swbell.net
Harlingen Area Chamber of Commerce, Elida Aguirre	311 E. Tyler, Harlingen, TX 78550	(956) 423-5440 ext. 212	eaguirre@harlingen.com
Head Start State Collaboration Office, LaShonda Brown	7000 Fannin St, Suite 1920, Houston TX 77030	(713) 500-3820	LaShonda.Brown@uth.tmc.edu
Houston Technology Center, Walter Ulrich	410 Pierce Street, Houston, TX 77002	(832) 476-9286	wulrich@houstontech.org
IBM Corporation, John Drewry	11501 Burnet Road, 904/5A-013, Austin, TX 78758	(512) 286-6014	jdrewry@us.ibm.com
Institute for Economic Development, Robert McKinley	501 W. Durango, San Antonio, TX 78207	(210) 458-2020	robert.mckinley@utsa.edu
International Business Institute, Mortada Mohamed	4400 College Park Dr., Round Rock, TX 78665	(512) 223-0170	mmohamed@austincc.edu
John A. and Katherine G. Jackson School of Geosciences, Doug Ratcliff	John A. and Katherine G. Jackson School of Geosciences, The University of Texas at Austin, P.O. Box B, University Station, Austin, TX 78713	(512) 471-6048	dratcliff@jsg.utexas.edu

Group or Association Name/ Contact Person	Address	Telephone	E-mail Address
John Ben Shepperd Public Leadership Institute, Jack Ladd	The University of Texas of the Permian Basin, 4901 E. University, MB 4240A, Odessa, Texas 79762-0001	(432) 552-2853	ladd_j@utpb.edu
Johnson Space Center, David Leestma	1601 NASA Parkway, Houston, Texas 77058	(281) 460-6188	david.c.leestma@nasa.gov
kalon Biotherapeutics, Andrew Strong	100 Discovery Drive, College Station, Tx 77845	(979) 458-2303	astrong@kalonbio.com
Literacy Texas, Lori Donley, Director	406 East 11th Street, Austin, TX 78701	(888) 577-9347	lordonley@live.com
Lone Star College System, Linda L. Head	5000 Research Forest Drive, The Woodlands, Texas 77381	(832) 813-6816	lhead@lonestar.edu
Lubbock Economic Development Alliance, Kenny McKay	1500 Broadway, 6th Floor, Lubbock, TX 79401	(806) 723-8239	kenny.mckay@lubbockeda.org
LULAC - Elia Mendoza	606 Glencrest Drive, San Antonio, Texas 78229	(210) 334-9495	eliarmendoza@satx.rr.com
MALDEF/Southwest Regional Office, David G. Hinojosa, Regional Counsel	110 Broadway, Suite 300, San Antonio, Texas 78205	(210) 224-5476	
NAACP – Texas, Gary Bledsoe	1107 E. 11 th Street, Suite A, Austin, Texas 78702	(512) 339-9547	
National Association of State Administrators and Supervisors of Private Schools (NASASPS)	NASASPS c/o CAMS, 403 Marquis Ave., Suite 200, Lexington KY 40502		info@nasasps.org
National Guard Job Connection and Education Program , Dinetha Thompson	Washington, DC	(703) 402-6553	Dinetha.Thompson@jcep.info
National Instruments, Stacy Schmitt	6504 Bridge Point Pkwy, Austin TX 78730	(254) 744-1210	stacy.schmitt@ni.com
NCTM, Jenny Ligon	301 Tarrow Street, College Station, Texas 77840	(979) 847-5852	jennyligon@tamu.edu
NFIB/Texas, Will Newton, Executive Director	400 W. 15th St. #804, Austin, TX 78701	(512) 476-9847	Will.Newton@NFIB.org
North Texas Fair Housing Center, Frances Espinoza	8625 King George Drive, Suite 130, Dallas, Texas 75235	(469) 941-0375	
North Texas Regional Center for Innovation & Commercialization, Maria Brackenridge	17919 Waterview Parkway, Suite 1.50	(214) 908-9313	maria@twopeppers.net

Group or Association Name/ Contact Person	Address	Telephone	E-mail Address
Odessa Chamber of Commerce, Arlene Loyd	700 North Grant, Suite 200, Odessa, TX 79761	(432) 332-9111	aloyd@odessaecodev.com
Oncor Electric Delivery, Terry Preuninger	1616 Woodall Rogers Freeway, 5th Floor, Dallas, TX 75202	(214) 486-6323	Terry.Preuninger@oncor.com
PESO – Accessibility (Public Electronic Services On the Internet) / Jeff Kline	Department of Information Resources (DIR), 300 W. 15 th Street, Suite 1300, Austin, TX 78701	(512) 463-3248	jeff.kline@dir.texas.gov
Power Across Texas, Becky Klein	611 South Congress Ave., Suite 125, Austin, TX 78704	(512) 479-4120	becky@kleinenergy.com
Quality Assurance Team (QAT) / Richard Corbell	Legislative Budget Board (LBB), 1501 Congress Ave., 5 th Floor, Austin, TX 78701	(512) 463-1200	richard.corbell@lbb.state.tx.us
Re-entry Task Force, Connie Simon, Manager of Workforce Development Programs, Texas Juvenile Justice Department	PO Box 12757, Austin, TX 78711-2757	(512) 424-6091	connie.simon@tjjd.texas.gov
Rice Smalley Institute for Nanoscale Science & Technology, Wade Adams	Rice University Smalley Institute-MS 100, 301A Space Science Bldg., Houston, TX 77251	(713) 348-6028	wadams@rice.edu
SAIC Science Applications International Corporation, Mark Craig	2450 NASA Parkway, Houston, TX 77058	(281) 335-2032	mark.k.craig@saic.com
San Antonio Economic Development Foundation, Mario Hernandez	602 E. Commerce St., San Antonio, TX 78205	(210) 226-1394	marioh@sanantoniodef.com
SBDC Network, Gil Gonzalez	501 W. César E Chávez Boulevard, San Antonio, TX 78207-4415	(210) 458-2877	gilbert.gonzalez@utsa.edu
Shell Oil Company, Nancy Tootle	777 Walker St. L100, Houston, Texas 77002	(713) 241-6161	nancy.tootle@shell.com
Southwest Research Institute, Bill Rafferty	6221 Culebra Blvd, San Antonio, Tx 78239	(210) 522-5865	william.rafferty@swri.org
Southwest Texas Junior College, Blaine Bennett	2401 Garner Field Rd, Uvalde, TX 78801	(830) 591-7275	blaine.bennett@swtjc.edu
TEEX, Michael West	200 Technology Way, College Station, TX 77845-3424	(512) 507-6970	Michael.West@teexmail.tamu.edu
Texas Building & Construction Trades Council - Union, Michael Cunningham	1106 Lavaca Street, Room 201, Austin, TX 78701-2171	(512) 472-4111	michael@texasbuildingtrades.org
Texas Center for Applied Technology, James Wall	1470 William D Fitch Parkway, College Station, TX 77845	(979) 458-0250	jim-wall@tamu.edu

Group or Association Name/ Contact Person	Address	Telephone	E-mail Address
Texas Coalition of Veteran Organizations, CAPT Morgan Little, USNR (Ret) Chairman	1100 Sycamore Creek Drive, Dripping Springs, TX 7862	(512) 894-4000	mlittle@toast.net
Texas Instruments, Arturo Sanchez	12500 TI Boulevard, MS 8683, Dallas, TX 75243	(214) 480-2528	arturo-sanchez@ti.com
Texas Interagency Council for the Homeless, Naomi Trejo, Administrator, Housing Resource Center	221 E. 11th Street Austin, TX 78701	(512) 475-3975	naomi.trejo@tdhca.state.tx.us
Texas Licensed Child Care Association, Tere Holmes	5708 Hero Drive, Austin, Texas 78735	(512) 788-1235	ticcainfo@gmail.com
Texas Manufacturing Assistance Center (TMAC) , Ron Lehman	9390 Research Blvd., Ste. II-300, Austin, TX 78759	(800) 625-4876	ron.lehman@tmac.org
Texas Military Forces State and Family Programs, Shandra Sponsler, CIV, Deputy Branch Manager, TXARNG G1- Family Support Services	2200 W 35 th Street, Bldg 34, Austin, TX 78703	(512) 782-5771	shandra.b.sponsler.civ@mail.mil
Texas Partnership for Out of School Time (TXPOST), Molly Wofford, Executive Director	P.O. Box 2687, Austin, Texas 78768	(512) 605-0105	molly@txpost.org
Texas Project Delivery Framework Change Advisory Board (CAB) / P.J. Vilanilam	Department of Information Resources (DIR), 300 W. 15 th Street, Suite 1300, Austin, TX 78701	(512) 463-8826	pj.vilanilam@dir.texas.gov
The Valdez Company, Jerry Valdez	P.O. Box 12031, Austin, Texas 78711	(512) 477-1117	valdez@thevaldezcompany.com
Toyota Motor Manufacturing, Mary Batch	1 Lone Star Pass San Antonio, Texas 78264	(210) 236-4238	mary.batch@tema.toyota.com
Transition Services Manager Fort Bliss, TX, Randy Stovall	Army Career and Alumni Program, Fort Bliss, TX	(915) 568-7165	Randy.stovall@us.army.mil
Victoria College, Sherri Pall	2200 East Red River, Victoria, Tx 77901	(361) 582-2590	sherri.paul@victoriacollege.edu
West Gulf Maritime Association, Niels Aalund	1717 Turning Basin Dr., Houston, TX 77029	(713) 715-6424	naalund@wgma.org
Workers Defense Project, Emily Timm	5604 Manor Road, Austin, Texas, 78723	(512) 391-2906	Emily@workersdefense.org
Zapata County Chamber of Commerce, Peggy Moffett	P.O. Box 549 Zapata, TX 78076	(956) 765-1113	peggy.moffett@zapatacountyedcc.org

INTERAGENCY, STATE, OR NATIONAL ASSOCIATIONS
(that serve as an information clearinghouse or regularly interact with your agency)

Group or Association Name/ Contact Person	Address	Telephone	E-mail Address
American GI Forum National Veterans Outreach Program, Inc.	611 N. Flores Street, Suite 200, San Antonio, TX 78205	(210) 223-4088	cmartinez@agif-nvop.org
American Legion Department of Texas, John McKinny, State Vice Commander	P.O. Box 140527, Austin, TX 78714	(512) 970-1102	jdmckinny@aol.com
Board of Nursing, Janice I. Hooper, PhD, RN, Nursing Consultant for Education (prelicensing education programs)	Texas Board of Nursing, 333 Guadalupe #3-460, Austin, Texas 78701	(512) 305-6814	janice.hooper@bon.texas.gov
Bureau of Public Dept/Federal ASAP Fund Draws/Joe Depergola	799 9th Street NW, Washington, DC 20239-0001	(304) 480-5307	Joseph.depergola@bdp.treas.gov
Business Executive Leadership Council (BELC) / Brooks Myers	Department of Information Resources (DIR), 300 W. 15 th Street, Suite 1300, Austin, TX 78701	(512) 463-5684	brooks.myers@dir.texas.gov
Cantey Hanger LLP, Brian Newby	600 West 6th Street, Ste 300, Fort Worth, TX 76102	(817) 877-2825	bnewby@canteyhanger.com
CenterPoint Energy, Gwen Wagner	P.O. Box 1700, Houston, TX 77251-1700	(713) 207-3433	gwen.wagner@CenterPointEnergy.com
City of Austin Equal Employment/Fair Housing Office, Jonathan Babiak, Director	1050 East 11 th Street, #300, Austin, Texas 78702	(512) 974-3250	Jonathan.babiak@austintexas.gov
City of Corpus Christi Human Relations Commission, Sylvia V. Wilson, Administrator	1201 Leopard Street, 4 th Floor, Corpus Christi, Texas 78401	(361) 826-3190	SylviaW@cctexas.com
City of Dallas Fair Housing Office, Beverly Davis, Asst. Director	1500 Marilla Street, Room 1B North, Dallas, Texas 75201	(214) 670-3247	
City of Fort Worth Human Relations Commission, Angela Rush, Administrator	1000 Throckmorton Street, Fort Worth, Texas 76102	(817) 392-7525	Angela.Rush@fortworthtexas.gov
City of Garland Fair Housing Office	210 Carver Drive, Suite 102A, Garland, Texas 75040	(972) 205-3300	
City of Hondo, Jesse Perez	1600 Avenue M, Hondo, TX 78861	(830) 426-3810	jperez@hondo-tx.org
ConnectedTexas, Donald Shirley	1700 North Congress Avenue, Austin, Tx 78701	(512) 660-2006	dshirley@connectedtx.org

Group or Association Name/ Contact Person	Address	Telephone	E-mail Address
Council of Public University, Rissa Potter	1103 West 24th Street, Austin, TX 78705	(512) 923-8517	rpotter@cpupc.org
Decision Data Resources, Chuck Branch	15 Office Park Circle Suite 210 Birmingham, AL 35223	(205) 871-0353	cbranch@decisiondata.net
E Cubed Ventures, James Gollub	201 Spear Street, Ste 1100, San Francisco, CA 94105	(415) 789-0300	jim@ecubedventures.com
Ecova/ Kent Schuler, Sr. Manager of Energy Supply	1132 East Otero Place, Centennial, CO 80122	(303) 798-0988	kschuler@ecova.com
Equal Employment Opportunity Commission/Dallas Program Coordinator/Jamie Valdez	5410 Fredericksburg Road, Ste. 200, San Antonio, TX 78229	(210) 281-7661	Jaime.valdez@eeoc.gov
Equal Opportunity Committee, Don Wehbey	444 N. Capital St N.W., Suite142 Washington DC 20001	(202) 432-8020	dwehbey@naswa.org
IAOHRA, Jean M. Kelleher, Executive Director	444 North Capitol St. NW, Suite 536 Washington, DC 20001	(202) 624-5410	iaohra@sos.org
InfoGroup Inc./ Jim Winner	1020 E 1st Street, Papillion, NE 68046	(402) 836.1331	Jim.Winner@infogroup.com
Information Security Working Group (ISWG) / Edward Block	Department of Information Resources (DIR), 300 W. 15 th Street, Suite 1300, Austin, TX 78701	(512) 463-8807	edward.block@dir.texas.gov
Interstate Labor Standards Association (ILSA), Brent Asay, President	Employment Standards Bureau, PO Box 146630, Salt Lake City, Utah	(801) 530-6802	basay@utah.gov
MAFO, a National Partnership of Farmworkers and Rural Organizations, Heladio (Lalo) F. Zavala, Chief Executive Officer	P.O. Box 7569, St. Cloud, MN 56302-7569	(320) 251-1711	lalo.zavala@umos.org
Manufacturing Skill Standards Council, Kay Lee	7500 Woodside Hill Court, Fort Worth, TX 76169	(817) 994-9387	klee@msscusa.org
Melzer Consulting , Stephen Melzer	PO Box 2083, Midland, TX 79702	(432) 682-7664	melzerls@aol.com
Murphree Venture Partners, John White	1100 Louisiana St., Suite 5005, Houston, TX 77002	(713) 816-1772	jwhite@murphreeventures.com
National Adult Education Professional Development Consortium, Dr. Lennox McLendon, Executive Director	444 North Capitol Street, NW; Suite 422; Washington, DC 20001	(202) 624-5250	lmclendon@naepdc.org
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National Association Of State Workforce Agencies (NASWA) Veterans Affairs Committee, Rich Hobbie, Director	444 North Capitol Street, N.W., Suite 142 Washington, D.C. 20001	(202) 434-8020	bsimoneau@naswa.org
National Association of State Workforce Agencies, Chris Peretto	Washington, DC	(202) 744-9182	cperetto@naswa.org
National Association of State Workforce Agencies/Administration and Finance Committee/Marc Katz	444 North Capitol Street, N.W. – Ste 142, Washington, D.C. 20001	(202) 434-8020	mkatzz@naswa.org
National Fair Housing Training Academy, Susan Scovill	600 Maryland Avenue, SW, Lower Level – Room 027, Washington, DC 20024-2520	(202) 314-3422	Susan.Scovill@chickasaw.com
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Science Applications International Corporation, Tim Wittig	4618 Holly Ridge Road, Rockville, MD 20853	(202) 841-0655	wittigr@saic.com
Sites On Texas/Texas A&M/ Michael Greene	200 Technology Way College Station, TX 77845	(979) 458-6732	Michael.Greene@teex.tamu.edu
State Agency Coordinating Committee (SACC) Information Technology (IT) Subcommittee / Lisa Richardson	Texas Workforce Commission (TWC), 101 E. 15 th Street, Room 574, Austin, TX 78778	(512) 475-3691	lisa.richardson@twc.state.tx.us
Statewide Information Security Advisory Committee (SISAC) / Brian Engle	Department of Information Resources (DIR), 300 W. 15 th Street, Suite 1300, Austin, TX 78701	(512) 463-1030	brian.engle@dir.texas.gov
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Texas Workforce Investment Council, Apprenticeship and Training Advisory Committee (ATAC), David Mass	PO Box 2241, Austin, TX 78768	• (512) 936-8107	David.mass@governor.state.tx.us
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LIAISONS AT OTHER STATE AGENCIES

(with which your agency maintains an ongoing relationship, e.g., the agency's assigned analyst at the Legislative Budget Board, or attorney at the Attorney General's office)

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Texas Education Agency/Data Analyst/Nina Taylor	Texas Education Agency/Data Analyst/Nina Taylor	(512) 475-2085	Nina.taylor@tea.state.tx.us
Texas Governor's Committee on People with Disabilities, Jo Virgil, Community Outreach and Information Coordinator	P.O. Box 12428, Austin TX 78711	(512) 463-5740	jo.virgil@governor.state.tx.us
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Texas Higher Education Coordinating Board, Susan Brown	1200 E. Anderson Lane Austin, Texas 78711	(512) 427-6153	susan.brown@theeb.state.tx.us
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Texas Higher Education Coordinating Board, Developmental and Adult Education, Linda Munoz, Senior Program Director	1200 E. Anderson Lane, Austin, TX 78752	(512) 427-6525	Linda.Munoz@THECB.state.tx.us
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Texas Higher Education Coordinating Board/Data Analyst/Gabriela Borcoman	1200 E. Anderson Lane, Austin, TX 78752	(512) 427-6134	Gabriela.borcoman@theb.state.tx.us
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Texas Water Development Board, Mark Ellison	1700 North Congress Avenue, Austin, TX 78711	(512) 463-7593	Mark.Ellison@twdb.texas.gov

XI. Additional Information

- A. Texas Government Code, Sec. 325.0075 requires agencies under review to submit a report about their reporting requirements to Sunset with the same due date as the SER. Include a list of each report that the agency is required by statute to prepare and an evaluation of the need for each report based on whether factors or conditions have changed since the statutory requirement was in place. If the list is longer than one page, please include it as an attachment.**

Please see section A. attachment under XI. Additional Information.

- B. Has the agency implemented statutory requirements to ensure the use of "first person respectful language"? Please explain and include any statutory provisions that prohibits these changes.**

TWC reviews documents for First Person Respectful Language during editing processes throughout the agency. For example, TWC follows standard editing, which embraces First Person Respectful Language principles in rule, policy and communications drafting. In reviewing state statutes for First Person Respectful Language, TWC statute at one point refers to “blind individuals”, in the heading to Texas Labor Code Section 201.067. There is no impediment in law to changing the heading of this section.

Federal regulations have moved away from the term “food stamps”, which is used in Texas Labor Code Sections 207.111, 207.113, and 207.114 and Subchapter G. These instances could be replaced with the terms “supplemental nutrition assistance program.” See also, Texas Human Resources Code Chapters 22, 23, 31, and 33, specifically Sections 22.025, 22.0251, 22.0252, 22.0253, 22.0254, 22.0292, 31.0127, 31.032, 33.0005, 33.0006, 33.002, 33.0021, 33.0023, 33.003, 33.004, 33.006, 33.007, 33.010, 33.011, 33.012, 33.013, 33.015, 33.023, 33.025, and 33.026.

- C. Fill in the following chart detailing information on complaints regarding your agency. Do not include complaints received against people or entities you regulate. The chart headings may be changed if needed to better reflect your agency’s practices.**

Texas Workforce Commission		
Exhibit 15: Complaints Against the Agency — Fiscal Years 2011 and 2012		
	FY 2011	FY 2012
Number of complaints received	160	158
Number of complaints resolved	160	158
Number of complaints dropped/found to be without merit	103	95
Number of complaints pending from prior years	0	0
Average time period for resolution of a complaint	1.24 Days	1.39 Days

D. Fill in the following chart detailing your agency's Historically Underutilized Business (HUB) purchases.

* If your goals are agency specific-goals and not statewide goals, please provide the goal percentages and describe the method used to determine those goals. (TAC Title 34, Part 1, Chapter 20, Rule 20.13)

Texas Workforce Commission Exhibit 16: Purchases from HUBs FISCAL YEAR 2010					
Category	Total \$ Spent	Total HUB \$ Spent	Percent	Agency Specific Goal *	Statewide Goal
Heavy Construction	NA			11.9%	11.9%
Building Construction	\$45			26.1%	26.1%
Special Trade	\$3,317,834	\$2,046,774	61.6%	57.2%	57.2%
Professional Services	\$907,743	\$367,252	40.4%	20.0%	20.0%
Other Services	\$14,479,462	\$3,447,292	23.8%	33.0%	33.0%
Commodities	\$5,313,502	\$3,057,351	12.6%	12.6%	12.6%
TOTAL	\$24,018,586	\$8,918,669	37.1%		
FISCAL YEAR 2011					
Category	Total \$ Spent	Total HUB \$ Spent	Percent	Agency Goal	Statewide Goal
Heavy Construction	NA			11.9%	11.9%
Building Construction	-\$45			26.1%	26.1%
Special Trade	\$3,290,386	\$1,666,038	50.63%	57.2%	57.2%
Professional Services	\$1,055,037	\$394,476	37.39%	20.0%	20.0%
Other Services	\$14,987,349	\$4,022,033	26.85%	33.0%	33.0%
Commodities	\$3,665,309	\$1,857,934	50.69%	12.6%	12.6%
TOTAL	\$22,998,036	\$7,940,482	34.54%		

FISCAL YEAR 2012					
Category	Total \$ Spent	Total HUB \$ Spent	Percent	Agency Goal	Statewide Goal
Heavy Construction	NA			11.9%	11.9%
Building Construction	NA			21.1%	21.1%
Special Trade	\$3,034,285	\$989,423	32.6%	32.7%	32.7%
Professional Services	\$613,081	\$142,131	23.2%	23.6%	23.6%
Other Services	\$13,920,823	\$3,402,439	24.4%	24.6%	24.6%
Commodities	\$4,435,413	\$1,604,111	36.2%	21.0%	21.0%
TOTAL	\$22,003,603	\$6,138,104	28%		

E. Does your agency have a HUB policy? How does your agency address performance shortfalls related to the policy? (Texas Government Code, Sec. 2161.003; TAC Title 34, Part 1, rule 20.15b)

TWC's HUB goals and policies are published in the Commission's Strategic Plan, as well as the agency's website and internal Procurement Manual. The Commission is strongly committed to the goals of the State of Texas HUB Program and, through complete integration into its purchasing operations, continues its effort to increase participation rates. TWC incorporates HUB goals and requirements into the life cycle of each purchase and contract.

TWC routinely assesses performance shortfalls as a means of sustaining its program success from year to year by generating reports that identify areas where HUB activity is lacking. Purchasers work with divisions and key staff, using collaborative focus, to identify causes and mitigate barriers to success.

F. For agencies with contracts valued at \$100,000 or more: Does your agency follow a HUB subcontracting plan to solicit bids, proposals, offers, or other applicable expressions of interest for subcontracting opportunities available for contracts of \$100,000 or more? (Texas Government Code, Sec. 2161.252; TAC Title 34, Part 1, rule 20.14)

Yes. The Hub Coordinator reviews all planned purchases exceeding \$100,000 to identify subcontracting opportunities and ensure they are stated within the solicitation document. TWC also includes a list of random, certified HUB vendors, in the solicitation document for the prime vendor to contact.

G. For agencies with biennial appropriations exceeding \$10 million, answer the following HUB questions.

	Response / Agency Contact
1. Do you have a HUB coordinator? (Texas Government Code, Sec. 2161.062; TAC Title 34, Part 1, rule 20.26)	Yes/Glenn Smith CTPM
2. Has your agency designed a program of HUB forums in which businesses are invited to deliver presentations that demonstrate their capability to do business with your agency? (Texas Government Code, Sec. 2161.066; TAC Title 34, Part 1, rule 20.27)	Yes. TWC and the Teacher Retirement System co-host an annual HUB Connection Forum. The event originated in 2000 and is heavily attended by HUB and other State Agencies./Glenn Smith
3. Has your agency developed a mentor-protégé program to foster long-term relationships between prime contractors and HUBs and to increase the ability of HUBs to contract with the state or to receive subcontracts under a state contract? (Texas Government Code, Sec. 2161.065; TAC Title 34, Part 1, rule 20.28)	Yes. TWC has two mentor-protégé program pairs.

H. Fill in the chart below detailing your agency's Equal Employment Opportunity (EEO) statistics.*

**Texas Workforce Commission
Exhibit 17: Equal Employment Opportunity Statistics**

FISCAL YEAR 2009

Job Category	Total Positions	Minority Workforce Percentages					
		Black		Hispanic		Female	
		Agency	Civilian Labor Force %	Agency	Civilian Labor Force %	Agency	Civilian Labor Force %
Officials/Administration	477	9.7%	7.5%	23.6%	21.1%	56.3%	37.5%
Professional	1,790	18.5%	9.7%	28.4%	18.8%	65.3%	53.3%
Technical	187	9.7%	13.9%	19.9%	27.7%	42.3%	53.9%
Administrative Support	180	18.7%	12.7%	41.8%	31.9%	81.3%	67.1%
Service Maintenance	541	14.0%	14.1%	41.9%	49.9%	71.6%	39.1%
Skilled Craft	10	0.0%	6.6%	51.7%	46.3%	0.0%	6.0%

FISCAL YEAR 2010

Job Category	Total Positions	Minority Workforce Percentages					
		Black		Hispanic		Female	
		Agency	Civilian Labor Force %	Agency	Civilian Labor Force %	Agency	Civilian Labor Force %
Officials/Administration	453	10.6%	7.5%	25.5%	21.1%	58.5%	37.5%
Professional	2,136	22.0%	9.7%	31.1%	18.8%	65.5%	53.3%
Technical	190	10.2%	13.9%	21.2%	27.7%	41.9%	53.9%
Administrative Support	203	18.5%	12.7%	46.9%	31.9%	80.3%	67.1%
Service/Maintenance	711	19.8%	14.1%	54.9%	49.9%	71.8%	39.1%
Skilled Craft	10	0.0%	6.6%	48.3%	46.3%	0.0%	6.0%

FISCAL YEAR 2011

Job Category	Total Positions	Minority Workforce Percentages					
		Black		Hispanic		Female	
		Agency	Civilian Labor Force %	Agency	Civilian Labor Force %	Agency	Civilian Labor Force %
Officials/Administration	454	10.44%	8.99%	26.37%	19.5%	58.00%	39.4%
Professional	2,122	21.17%	11.33%	31.96%	17.4%	65.37%	59.14%
Technical	194	11.49%	14.16%	20.06%	21.63%	40.63%	41.47%
Administrative Support	208	19.15%	13.57%	45.48%	30.53%	79.16%	65.52%
Service/Maintenance	631	17.75%	14.68%	56.83%	48.18%	71.25%	40.79%
Skilled Craft	7	0.00%	6.35%	47.62%	47.44%	0.00%	4.19%

* The Service/Maintenance category includes three distinct occupational categories: Service/Maintenance, Para-Professionals, and Protective Services. Protective Service Workers and Para-Professionals are no longer reported as separate groups. Please submit the combined Service/Maintenance category totals, if available.

I. Does your agency have an equal employment opportunity policy? How does your agency address performance shortfalls related to the policy?

Yes, the agency has an equal employment opportunity policy. The agency monitors and completes a workforce analysis on a monthly basis to ensure workplace parity through compliance with its equal employment opportunity policy.

A comparison is made of the agency's staffing profile with statewide civilian workforce figures provided by the TWC Civil Rights Division. The state civilian labor workforce statistics reflect the relevant profile of employment by job category for African Americans, Hispanics, and females.

The agency addresses performance shortfalls related to the policy by:

- Actively recruiting any job categories that may be underrepresented;
- Addressing diversity from the perspective of awareness and equal opportunity; and
- Following the objectives of the agency's EEO Policy and commitment to workforce diversity.

The agency implements a framework and guidelines to ensure equal opportunity exists throughout the agency without regard to race, color, disability, sex, religion, age, or national origin.

XII. Agency Comments

No comments at this time.