

TEXAS WORKFORCE COMMISSION LETTER

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Effective:	Immediately

To: Local Workforce Development Board Executive Directors
Commission Executive Offices
Integrated Service Area Managers



From: Laurence M. Jones, Director, Workforce Development Division

Subject: **Texas Back-to-Work Initiative—*Update***

PURPOSE:

To provide Local Workforce Development Boards (Boards) with updated information and guidance on the Texas Back-to-Work (TBTW) Initiative, specifically:

- funding and distributions;
- eligible unemployment insurance (UI) claimants;
- options;
- TBTW plans; and
- public announcement of the TBTW Initiative.

This update removes the requirements in Attachment 2, pages 5 and 6, regarding subsidized employment initiatives (Options 1 and 2), that Boards “use supplemental financial reporting categories in the Cash Draw and Expenditure Reporting system for TBTW participants who have children 18 or under residing in their home.” No supplemental cost categories will be created for this purpose.

CHANGES TO WD LETTER 46-09, Change 1, Attachment 2:

New information is indicated by:

- a ~~strikethrough~~ of the original language, which indicates that language has been deleted; and
- bold typeface, which indicates new or clarifying language.

The information in this WD Letter and Attachments 1, 3, and 4 remains unchanged from WD Letter 46-09, Change 1.

BACKGROUND:

Rider 31(c), Article VII, General Appropriations Act, 81st Texas Legislature, Regular Session (2009) directs the Texas Workforce Commission (Commission) as follows:

Out of amounts appropriated above in Strategy A.1.4, Employment and Community Services, the amounts of \$15,000,000 in General Revenue for Fiscal Years 2010 and 2011 (FY'10 and FY'11) are for public-private partnerships with employers to move Texans off of public benefits and into the workforce. This program would target first-time unemployment insurance claimants previously earning less than \$15/hour and reach up to 15,000 workers.

On September 22, 2009, the Commission approved the use of \$5 million (\$2.5 million in FY'10 and \$2.5 million in FY'11) to support pre-apprenticeship and apprenticeship initiatives to assist first-time claimants in returning to employment.

On October 13, 2009, the Commission approved the use of the remaining \$10 million (\$5 million in FY'10 and \$5 million in FY'11), to fund the TBTW Initiative.

PROCEDURES:

Funding and Distributions

Boards must be aware of the following:

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Three percent of the \$10 million available through Rider 31(c) will be retained to support state-level oversight, including financial and performance oversight, and the provision of state-level and on-site technical assistance to Boards.

The Commission will distribute the remaining \$9.7 million to the Boards to provide the services envisioned by Rider 31(c) through the TBTW Initiative. (Attachment 1 sets forth Boards' distributions.) The initial distribution:

- contracts one-half of the funds to each local workforce development area (workforce area) in year one; and
- provides the remaining funds in year two, upon Boards' achieving satisfactory performance against contract deliverables and expenditure benchmarks.

Five percent of the funds are available to the Boards for administration and operational costs, including programmatic oversight.

Administrative and operational costs are expenditures reported in the following cost categories, as described in WD Letter 26-08:

- *100 Administration (Direct Recipient only)*
- *101 Administration (One-Stop Operator only)*
- *708 Program Management & Support (Direct Recipients only)*
- *709 Subrecipient Operating Costs (Non-One-Stop Operator)*

The greater portion of the funds is dedicated to providing services that assist claimants with reemployment through stipends, training, wage subsidies, and employer subsidized-wage retention bonuses (retention bonuses). Boards must report these and all other TBTW Initiative–funded costs—excluding administrative and operational costs—in one or more of five Cash Draw and Expenditure Reporting system cost categories. The name of each category corresponds with the five TBTW plan options set forth in this WD Letter.

NLF

The American Recovery and Reinvestment Act of 2009 funded additional temporary Employment Service (ES) staff to provide services to claimants. It is recommended that Boards use the additional ES staff to:

LF

- assist with the development of the TBTW plans; and
- provide services to employers and claimants participating in the TBTW Initiative.

Eligible Claimants

Boards must be aware of the following:

NLF

- Eligible individuals to be served are first-time claimants with an active claim filing status¹ on or after September 1, 2009, and who have earned less than fifteen dollars (\$15) an hour in their previous employment. (Boards will be provided a method for identifying eligible first-time claimants.)
- The TBTW Initiative targets first-time claimants receiving regular, state UI benefits, to the extent practical. Individuals who have exhausted all UI benefits also are eligible.

Texas Back-to-Work Options

Under the TBTW Initiative, Boards may choose one or more of the following Commission-approved reemployment options to assist employers and first-time claimants.

LF

- Option 1—Subsidized employment
- Option 2—Employer subsidized-wage retention bonuses
- Option 3—Unpaid work experience
- Option 4—Occupational training linked to employment
- Option 5—Board-developed programs

The Commission’s intent in approving these options is to allow Boards the flexibility to develop programs that best meet employer and claimant needs in their workforce areas.

¹ “Active claim filing status” is defined as a claimant who has filed an initial claim and received at least one payment for benefits.

Texas Back-to-Work Plans

Boards must:

NLF

- adhere to the guidelines provided in the TBTW Initiative Board Plan Guidelines (Attachment 2) regarding program structure, reporting, and participant outreach;
- provide the Commission with a TBTW plan that includes:
 - narrative information, as described in Attachment 2, for each employment option selected; and
 - data on the employment options selected, as described in Attachment 3, which will be used to establish performance targets;
- e-mail their year one TBTW plans, within 30 days from the issuance of this WD Letter, to tbtwinitiative.reporting@twc.state.tx.us; and
- submit their year two TBTW plans, no later than August 1, 2010.

Boards must be aware that the Commission will:

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- review the TBTW plans for approval or subsequent modification;
- determine performance expectations based on the targets provided in the TBTW plans; and
- execute a contract with Boards based upon their approved TBTW plans.

Attachment 4 is a sample worksite agreement for Boards' use. Boards also may develop their own agreement.

LF

Boards choosing to develop their own worksite agreements must include a sample copy in their TBTW plans.

NLF

In selecting an option or options for inclusion in the TBTW plans, Boards' policies, design, and service delivery must adhere, at a minimum, to the following guidelines:

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Option 1—Subsidized Employment

Boards must ensure that policies for subsidized employment programs include:

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- the maximum program duration in weeks and/or hours;
- the maximum hourly wage subsidy to the participating employer; and
- the types of occupations allowed.

Option 2—Employer Subsidized-Wage Retention Bonuses

Boards must ensure that retention bonuses are provided to employers based on the TBTW participants' successful completion of full-time employment for a *minimum of 120 days*. (Full-time employment under this option is defined as unsubsidized, paid employment for 30 hours or more per week.)

NLF

Boards must ensure that policies for an employer retention bonus program include:

NLF

- the maximum allowable retention bonus per employer for each TBTW participant;
- the length of time TBTW participants must be employed; and
- the types of occupations allowed.

Note: Boards must be aware that Options 1 and 2—subsidized employment and employer retention bonuses, respectively—benefit the employer and the claimant; however, the employer receives the funds. Therefore, these two options are considered *employer focused* and Boards must not combine subsidized employment with a retention bonus.

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Option 3—Unpaid Work Experience

Boards must ensure that policies for unpaid work experience programs include the following:

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- Maximum duration of the unpaid work experience;
- Types of occupations allowed;
- Limitations on participant hours each week to allow claimants to meet their work search requirements (e.g., similar programs in other states cap claimant participation at 24 hours per week in order to provide claimants ample time to conduct their mandatory work search activities); and
- Maximum stipends to be paid to claimants.

Option 4—Occupational Training

Boards must ensure that policies for occupational training include:

NLF

- a link between the occupational training and the skills needed for successful employment; and
- prior to authorizing training, a provisional offer of employment upon successful completion of the training.

Boards must be aware that the Commission has classified Rider 31-funded occupational training as Commission-approved training.

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Note: Boards must be aware that Options 3 and 4—unpaid work experience and occupational training, respectively—benefit the employer and the claimant; however, the claimant receives the funds. Therefore, these two options are considered *claimant focused*.

NLF

Boards may combine a retention bonus with unpaid work experience or occupational training; however, it is recommended that Boards carefully consider whether combining these options will limit the number of employers and claimants that can be served.

LF

Option 5—Board-Developed Programs

Boards may develop programs that best suit employer needs in their workforce areas and are designed to meet the goals of the TBTW Initiative—i.e., to provide immediate relief to the state’s employers and citizens through short-term employment skills and training programs.

LF

Public Announcement of the Texas Back-to-Work Initiative

To facilitate the success of the program and ensure that all employers have the opportunity to participate, Boards must announce the availability of TBTW Initiative to employers in their workforce areas.

NLF

The Commission will develop an aggressive state-level marketing campaign to increase awareness of the TBTW Initiative, including development of public service announcements, brochures, direct mailouts to employers, and distribution of information at Texas Business Conferences. The materials will be available to Boards to advertise the TBTW Initiative locally.

INQUIRIES:

Direct inquiries regarding this WD Letter to wfpolicy.clarifications@twc.state.tx.us.

ATTACHMENTS:

- Attachment 1: Texas Back-to-Work Initiative: Board Distributions
- Attachment 2: Texas Back-to-Work Initiative: Board Plan Guidelines
- Attachment 3: Texas Back-to-Work Initiative: Employment Option Targets
- Attachment 4: Texas Back-to-Work Initiative: Worksite Agreement

RESCISSIONS:

WD Letter 46-09, Change 1

REFERENCE:

- American Recovery and Reinvestment Act of 2009 (P.L. 111-5)
- Wagner-Peyser Act of 1933, as amended
- 20 C.F.R., Chapter V, Parts 651–652, Employment Service Operations
- Rider 31(c), Article VII, General Appropriations Act, 81st Texas Legislature, Regular Session (2009)
- WD Letter 26-08, issued November 5, 2008, and entitled “Cash Draw and Expenditure Reporting System Instructions for Non-Allocated Funds to Local Workforce Development Boards and Other Texas Workforce Commission Grantees”

FLEXIBILITY RATINGS:

No Local Flexibility (NLF): This rating indicates that Boards must comply with the federal and state laws, rules, policies, and required procedures set forth in this WD Letter and have no local flexibility in determining whether and/or how to comply. All information with an NLF rating is indicated by “must” or “shall.”

Local Flexibility (LF): This rating indicates that Boards have local flexibility in determining whether and/or how to implement guidance or recommended practices set forth in this WD Letter. All information with an LF rating is indicated by “may” or “recommend.”