

1 **Innovation Fund**
2 **Discussion Paper**
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4 **Background**

5 During the COVID-19 pandemic, Local Workforce Development Boards (Boards) implemented
6 a number of innovations to serve customers differently, in ways that met changing needs while
7 maintaining safety protocols. Examples of this varied by local need and included the use of
8 mobile or loaned technologies, such as computers and Wi-Fi, in addition to the implementation
9 of virtual meetings, customer appointments, orientations, hiring events, and contactless
10 document exchanges. These innovations allowed Boards to help employers identify and hire
11 equipped and ready workers and to aid job seekers in continuing job search, training courses,
12 and/or classwork.

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14 Due to challenges with data and performance during the pandemic and in recognition of the
15 many innovations achieved by Boards this year, in a work session on May 4, 2021, the Texas
16 Workforce Commission’s (TWC) three-member Commission (Commission) requested that staff
17 suggest alternative uses of statewide initiative funds previously recommended for Board Awards
18 for Program Year 2021/Fiscal Year 2022, calling this alternative use an “Innovation Fund” for
19 the upcoming program year. The funds available for the Innovation Fund include \$880,000 in
20 Workforce Innovation and Opportunity Act (WIOA) funds, \$60,000 for Temporary Assistance
21 for Needy Families (TANF), and \$60,000 for Wagner-Peyser/Employment Service (ES).
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23 **Issues**

24 Staff suggests the following:
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- 26 • Boards will apply for one-time funding to expand, make permanent, or implement an
27 innovation.
- 28 • Boards may submit one application, requesting funds to provide innovations in program
29 areas and/or services to job seekers and employers.
- 30 • Board feedback was solicited on how innovative projects might best be evaluated, and the
31 following categories were the most commonly mentioned:
 - 32 ○ implements a new practice in the state; or
 - 33 ○ implements a new practice in the board area;
 - 34 ○ is implemented based on data or evidence of effectiveness;
 - 35 ○ addresses a defined need for businesses and or job seekers;
 - 36 ○ projected to have a high return on investment;
 - 37 ○ has the support of one or more community partners;
 - 38 ○ is sustainable.
- 39 • In addition, staff suggests the following categories be included:
 - 40 ○ the quality of implementation plan proposed to achieve project outcomes;
- 41 • All applications will be scored based on these 7 categories, with the highest scoring
42 applications receiving an award of \$200,000. A total of 5 grants will be awarded.
- 43 • All grants awarded will include WIOA, TANF, and Wagner Peyser/ES funding. Cost
44 allocation principles for all purchases and expenses apply.
- 45 • Eligible Boards must not be in Intent to Sanction or Sanction status.

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2 **Decision Point**

3 Staff seeks direction on Commission approval of the establishment of an Innovation Fund grant
4 program as outlined above with a budget of \$1 million using WIOA, TANF, and Wagner
5 Peyser/ES funds originally intended for the 2021 Board Awards.