



JUN - 2 2009

The Honorable Rick Perry
Governor of Texas
P.O. Box 12428
Austin, Texas 78711

Dear Governor Perry:

This is to respond to the letter of April 9, 2009, in which Texas (1) requests an extension of its current Strategic State Plan for title I of the Workforce Investment Act (WIA) and the Wagner-Peyser Act, (2) requests an extension of the state's waivers currently in effect, and (3) addresses performance goals for Program Year (PY) 2009. Training and Employment Guidance Letter (TEGL) No. 14-08, issued on March 18, 2009, provides guidance on extending the life of State Plans and existing waivers into PY 2009. We appreciate the State's prompt response to this guidance. This letter addresses the State Plan extension request and performance goals for PY 2009. The state's waiver requests will be addressed in a separate letter.

Extension of Strategic State Plan

Texas' existing State Plan expires on June 30, 2009, and the State is requesting an extension of the Plan into PY 2009. This letter constitutes a written determination under WIA Section 112 (29 USC 2822) that the Employment and Training Administration (ETA) is extending the approval of Texas' Strategic Plan for title I of the Workforce Investment Act and the Wagner-Peyser Act into PY 2009. The approved State Plan as extended will remain in effect until such time as the Department provides notice of our determination upon review of the State Plan modification, which is required to be submitted under TEGL No. 14-08. This modification is due June 30, 2009, and is required to address how the state will use funding under the American Recovery and Reinvestment Act of 2009 (ARRA) to meet the growing demand for workforce development services. Upon approval of this modification of the PY 2009 Plan, the modified State Plan will take effect and the extension of the current extended Plan will be terminated.

The Grant Officer will issue a Notice of Obligation for the "July portion" of the WIA formula allocations for Adult and Dislocated Worker programs, effective July 1, 2009, under the PY 2009 Annual Funding Agreement. The Wagner-Peyser Act programs annual funding agreement for Program Year 2009/Fiscal Year 2010 will be sent to the designated state grantee agency for signature and return to the Grant Officer for execution, effective July 1, 2009. The Wagner-Peyser Act annual funding agreement will provide for the initial base allocation of PY 2009 funds.

The Grant Officer has issued separate Notices of Obligation for ARRA funding allocations to supplement PY 2008 WIA title I Youth, Adult and Dislocated Worker programs and Wagner-Peyser Act programs per TEGL No. 13-08.

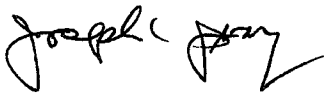
The Regional Administrator is working with Texas to negotiate WIA and Wagner-Peyser Act performance goals for PY 2009. We are confident that negotiations will proceed at a timely pace. The Regional Administrator's letter confirming the agreed-upon performance goals for PY 2009 will constitute a modification to the State Plan. Once finalized, ETA will incorporate the State's agreed-upon performance goals PY 2009 into the Regional and National Office copies of the State Plan. Texas should ensure that the agreed-upon goals are included in the State's official copy of the Plan.

Designation of State Officials

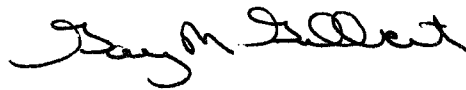
When the State submits the modification required on June 30, 2009, please ensure that Attachment A to the Planning Guidance, the Program Administration Designees and Plan Signatures form, is up to date, and provides the names of the agencies and officials, with appropriate contact information, that you have designated to represent the State for WIA title I and Wagner-Peyser Act grant programs. Please ignore this request if the State has submitted an up to date Designees and Plan Signatures form subsequent to the issuance of this letter. ✓

Again, we appreciate your prompt response to TEGL No. 14-08 and your efforts to move quickly to extend your Plan and waivers for PY 2009. If you have any questions related to the issues discussed above, please contact Rebecca Sarmiento, the Federal Project Officer for Texas, at (972) 850-4621 or sarmiento.rebecca@dol.gov.

Sincerely,



Joseph C. Juarez
Regional Administrator
Employment and Training
Administration



Gay M. Gilbert
Administrator
Office of Workforce Investment
Employment and Training
Administration

Enclosure

cc: H.E. (Gene) Crump, Jr. Deputy Executive Director, Texas Workforce
Commission
Janet Sten, Federal Coordinator for Plan Review and Approval
Thomas Martin, Grant Officer
Rebecca Sarmiento, Federal Project Officer for Texas

Texas Workforce Commission

A Member of Texas Workforce Solutions

Tom Pauken, Chairman

Ronald G. Congleton
Commissioner Representing
Labor

Andres Alcantar
Commissioner Representing
the Public

Larry E. Temple
Executive Director

April 9, 2009

Janet Sten
Federal coordinator for Plan Review and Approval
Division of Workforce System Support
Employment and Training Administration
U.S. Department of Labor
200 Constitution Ave., NW, Room S-4231
Washington, DC 20210

Dear Ms. Sten:

On behalf of the Texas Workforce Commission (TWC), the state's operational entity for the Title I Workforce Investment Act (WIA), I respectfully request a one-year extension of Texas' current State *Workforce Investment Plan for Title I of the Workforce Investment Act of 1998 and the Wagner-Peyser Act* (Plan) for the period ending June 30, 2009.

In addition, I am requesting an extension to continue previously granted waivers through June 30, 2010. In accordance with Training and Employment Guidance Letter No. 7-08, issued December 11, 2008, and entitled "Instructions for Workforce Investment Act and Wagner-Peyser Act State Planning and Waiver Requests for Year Five of the Strategic Five-Year Plan (Program Year 2009)," a summary of the applicable waivers is included with this request, along with a brief discussion of the rationale for the extension and the performance outcomes to be achieved through implementation of the waivers.

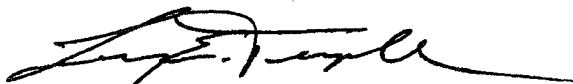
Also included are requests for two new waivers. The first waiver seeks to waive the requirements of WIA Section 123, Identification of Eligible Providers of Youth Activities. The second waiver seeks to waive the requirements of Technical Assistance Guide Letter (TEGL) 17-05 regarding calculation of common measures. The approval of these waivers will assist Texas in meeting the intent of the American Recovery and Reinvestment Act of 2009.

These requests are made to enable TWC to meet Texas' current workforce needs effectively. A Plan modification to address Texas' strategy for managing economic downturn will be submitted by June 30, 2009.

Your consideration in granting the waiver continuations and one-year extension to Texas' Plan would be much appreciated.

If you have any questions, please contact Reagan Miller at (512) 936-3563.

Sincerely,



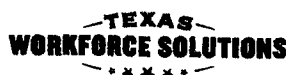
Larry E. Temple

Enclosures

cc: Joseph C. Juarez, Regional Administrator, U.S. Department of Labor
H.E. (Gene) Crump, Jr., Deputy Executive Director, TWC

101 E. 15th Street • Austin, Texas 78778-0001 • (512) 463-2222 • Relay Texas: 800-735-2989 (TDD) 800-735-2988 (Voice) • www.texasworkforce.org

Equal Opportunity Employer / Services



Jan Sten
Page 3
April 9, 2009

bcc: Laurence M. Jones, Director, Workforce Development Division
Reagan Miller, Deputy Division Director, Workforce and UI Policy

**TEXAS' ABBREVIATED
WAIVER REQUESTS FOR PROGRAM YEAR 2009**

- **Common Measures and Integrated Performance Waiver**

This waiver was approved by the Department of Labor (DOL) on July 1, 2006, and permits TWC to replace the original 17 WIA performance measures set forth in WIA §136(b) with the six Common Measures.

This waiver limits duplication of overwhelming data reporting requirements, allows TWC to promote integration, improve consistency and reliability of data, and foster greater flexibility when contracting performance measures with the 28 Local Workforce Development Boards (Boards).

This waiver has resulted in streamlined performance reporting of the Common Measures, further simplifying service delivery as well as data collection, reporting, and validation at the local level.

- **Recapture of WIA Funds Waiver**

This waiver was approved by DOL on November 23, 2005, and permits TWC to develop more flexible recapture and reallocation policies, which allow for increased efficiency and effectiveness in management of federal funds.

This waiver has made possible the following:

- Mid-year deobligation and reallocation of local workforce development area (workforce area) funds;
- Recapture of funds from workforce areas that have not expended at least 80 percent of WIA funds in the first year;
- Use of recaptured funds for statewide activities or reallocation to other eligible workforce areas; and
- Use of additional factors in determining workforce area eligibility for a reallocation of recaptured funds, including demonstrated need and ability to use additional funds.

- **Dislocated Worker Waiver**

This waiver was approved by DOL on July 20, 2005, and permits TWC to use up to 25 percent of the funds reserved for Rapid Response activities to provide allowable statewide employment and training activities to better meet the demand for incumbent worker training.

This waiver permits 25 percent of the up-to-25 percent reserved for Rapid Response—a maximum of 6.25 percent—to be added to the amount currently allowed (15 percent) for statewide dislocated worker activities.

- **Redistribution of Funds Waiver**

This waiver was approved by DOL on July 20, 2005, and permits TWC to consider additional factors when determining a workforce area's eligibility for reallocation of recaptured funds.

This waiver allows TWC to ensure that funds are redistributed to those workforce areas with the greatest need. This allows the redistribution of recaptured funds to be based on factors such as:

- requested amount;
- demonstrated capacity to expend formula funds; and
- performance in current and prior program years.

- **Board Performance Measures Waiver**

This waiver was approved by DOL on July 1, 2005, and permits TWC to develop methodologies that allow greater flexibility in contracting Board performance measures.

This waiver provides TWC with flexibility to modify Boards' performance measures. TWC continues to track and report the 17 core indicators of performance and customer satisfaction at both the state and Board levels. However, TWC may choose not to use all 17 measures in its Board contracts and has developed integrated Board-contracted measures.

- **Extension of Certification Period for Currently Certified Training Programs Waiver**

This waiver was approved by DOL on January 3, 2003, and permits TWC to extend the period of eligibility for training programs currently certified under the WIA Eligible Training Provider System (ETPS).

This waiver allows TWC to extend the period of initial eligibility for training providers. This waiver has resulted in eligibility requirements being less burdensome and thus in an increase of the numbers of eligible training providers.

- **Sliding Scale Employer Match for Customized Training Waiver**

This waiver was approved by DOL on January 3, 2003, and permits TWC to replace the required 50 percent employer match for customized training with a match based on a 10 to 50 percent sliding scale.

This waiver has resulted in an employer's contribution to the cost of training being based on a 10 to 50 percent sliding scale. Boards implementing this waiver have to adopt policies to establish criteria for the sliding scale based on local factors. This waiver provides Boards flexibility in considering the following attributes and projected outcomes of the training:

- Quality characteristics;
- Transferability of skills acquired;
- Wage levels and retention factors; and
- Economic stimulus to the community.

- **Transferring Funds between Adult and Dislocated Worker Programs Waiver**

This waiver was approved by DOL on January 3, 2003, and permits TWC to approve transfer amounts of up to 100 percent of workforce area allocations between the adult and dislocated worker funding streams, as requested by Boards.

This waiver eliminates the 30 percent limitation and allows Boards unlimited transfer of funds between these two programs. This increased flexibility allows Boards to better respond to changes within their workforce areas and use these limited funds in the most effective way.

- **Older and Out-of-School Youth Use of Eligible Training Provider List Waiver**
This waiver was approved by DOL on January 3, 2003, and permits TWC to give Boards the option of using ETPS to secure training providers for older and out-of-school youth through the use of an Individual Training Account (ITA).

Waiving the competitive procurement for training providers for older and out-of-school youth allows older and out-of-school youth to use ITAs. This has resulted in access to preferred training providers through ETPS and a more timely provision of training services to older and out-of-school youth, which streamlines services and increases local flexibility.

- **WIA Formula Funds Used as Local Activity Funds Waiver**
TWC received a waiver from DOL effective August 19, 2003, allowing Boards to designate up to 10 percent of WIA Formula Funds as local activity funds. TWC subsequently submitted a request to increase the cap on designation of funds. The new cap is 25 percent, approved by DOL on July 26, 2005. This waiver permits TWC to allow Boards to use formula-allocated funds to conduct approved statewide activities.

WIA Formula Funds have very restricted uses, while WIA Statewide Activity Funds provide for greater flexibility. This waiver allows WIA Formula Funds to be designated as local activity funds with flexibility similar to WIA Statewide Activity Funds.

- **Sliding Scale Employer Match for On-the-Job Training Waiver**
This waiver was approved by DOL on August 8, 2006, and permits TWC to reimburse employers for on-the-job training (OJT) on a graduated scale based on the size of the business.

While WIA provides for reimbursement to the employer of up to 50 percent of an OJT participant's wage rate, being able to base employer reimbursement on a graduated scale relative to the size of the business allows greater local flexibility that uses resources more effectively.