

Texas Workforce Commission

Workforce Innovation and Opportunity Act – Titles I and III

Program Year 2017

Texas Workforce Commission Program Year 2017 Workforce Innovation and Opportunity Act Annual Report

Comparability Assurance

The Texas Workforce Commission's (TWC) annual report and report elements are consistent with the federal reporting guidance that allows state-to-state comparison.

Vision

TWC and its Workforce Solutions partners will continue to maximize the power of innovation and partnerships to boost superior business outcomes and realize a competitive advantage for all Texans.

Focus on Integration

Texas has historically been a leader in workforce integration. The Texas workforce development system includes TWC, the Texas Workforce Investment Council, multiple education, non-profit and economic development partners, 28 Local Workforce Development Boards (Boards), and Workforce Solutions Offices, which provide locally customized services that address the needs of each region of the state. TWC, Boards, and other workforce system partners continue to refine and improve Texas' integrated structure to operate in the most efficient and effective manner possible, while ensuring that the workforce system is both flexible and adaptable. Improved access and efficiency, along with value-added services, are a few of the many benefits customers receive from an integrated system. One such improvement to the Texas workforce system was initiated in Program Year 2016 (PY'16), when TWC began integrating and supporting the delivery of vocational rehabilitation (VR) services within local communities to assist individuals with disabilities gain skills that will prepare them for sustainable employment.

Workforce Innovation and Opportunity Act Waivers

TWC sought a waiver from the provisions of the Workforce Innovation and Opportunity Act (WIOA) §128(c)(3) and §133(c) regarding reallocation among local workforce development areas (workforce areas). The waiver provides flexibility to TWC in redistributing funds among the workforce areas. The US Department of Labor (DOL) Employment and Training Administration (ETA) approved this waiver request on June 23, 2016, through June 30, 2018. During PY'17, TWC did not use the flexibility provided by this waiver.

Hurricane Harvey-Related Waivers

Hurricane Harvey struck the Texas Gulf Coast on August 25, 2017. Storm surge, widespread catastrophic flooding, and destructive winds devastated coastal communities, the city of Houston, and surrounding areas in southeastern Texas. TWC sought federal waiver opportunities following this natural disaster.

On October 11, 2017, DOLETA approved TWC's WIOA waiver requests to help the agency and Boards respond to the aftermath of Hurricane Harvey. While these waivers have not been in place for at least one program year, TWC was compelled to provide a summary of the six hurricane-related waivers:

Flexibility with WIOA Local Formula Funds

This waiver allowed Boards in disaster-affected workforce areas to use up to 100 percent of their available local adult, dislocated worker, and youth formula funds to provide certain statewide activities. Specifically, the waiver allowed Boards to:

- use the adult and dislocated worker formula funds for employment and training activities; and
- use youth formula funds to support the development of alternative, evidence-based programs and other programs that enhance the choices available to eligible youth, which encourages youth to reenter and complete secondary education, enroll in postsecondary education and advanced training, progress through a career pathway, and enter unsubsidized employment that leads to economic self-sufficiency.

Capitalization of Small Businesses with National Dislocated Worker Grant Funds

This waiver set aside the prohibition on the use of funds for capitalization of businesses at WIOA §181(e) to allow use of National Dislocated Worker Grant (DWG) funds to capitalize small businesses that were affected by Hurricane Harvey with up to \$5,000 per affected business.

Flexibility with WIOA Out-of-School Youth Expenditure Requirement

This waiver reduced the requirement to spend 75 percent of youth formula funds on workforce activities for out-of-school youth to 50 percent in disaster-impacted workforce areas so that those Boards could meet the needs of in-school youth affected by the hurricane.

Youth Follow-up Services

This waiver allowed staff in hurricane-affected workforce areas the flexibility to not provide follow-up services for youth participants if such participants could not be located or contacted due to the hurricane.

Required WIOA Youth Program Elements

WIOA §129(c)(2) requires Boards to offer 14 program elements to youth participants. This waiver set aside that requirement and allowed disaster-impacted workforce areas to focus on the youth services or program elements that disaster-affected youth needed the most.

Use of Individual Training Accounts for In-School Youth

WIOA limits the use of individual training accounts (ITAs) for youth to out-of-school youth. This waiver allowed disaster-impacted workforce areas and those workforce areas serving youth from disaster-impacted areas to provide ITAs to in-school youth ages 16 to 21.

Effectiveness in Serving Employers

TWC has raised serious concerns about all three measures that the US Department of Education (ED) and DOL have chosen to pilot in response to Information Collection Requests published by the departments to obtain input on the proposals; however, TWC will report all three measures in order to ensure that DOL and ED have more complete data to use in evaluating the measures.

Evaluations

TWC is the state agency in Texas responsible for all six core WIOA programs as well as other state and federally-funded workforce programs.

The three most important resources available to the workforce system are its various customer groups, its employees (including Boards and other workforce partners), and its data. TWC's Division of Operational Insight (DOI) was created to improve and leverage that data to advance the overall efficiency and effectiveness of the system. DOI has primary responsibility for conducting evaluations of the workforce system in Texas.

TWC uses a variety of statistical techniques to conduct evaluations, but primarily uses quasi-experimental evaluation techniques rather than random assignment trials. While less academic in approach than random assignment trials, quasi-experimental evaluation provides a balance between evaluation rigor and the ability to move quickly to implement process changes or new initiatives.

Additionally, TWC uses a blend of Six Sigma, Lean, and Theory of Constraints called Rapid Process Improvement (RPI) to evaluate system processes, identify opportunities for improvement, and test the results of implemented changes. RPI is a core part of TWC's approach to continuous improvement and has recently been rolled out to all Boards.

TWC works with Boards, workforce partners, and academic researchers on system evaluations and has participated in numerous federal studies and surveys such as the Workforce Investment Act Gold Standard Study, the Reemployment Services and Eligibility Assessment pilot, and reviews conducted by the US Government Accountability Office and various Offices of Inspectors General. TWC continues to look for opportunities to coordinate and cooperate with the secretaries of ED and DOL on studies that are aligned with the research priorities of TWC, its Boards, and workforce partners. TWC also believes that the regular webinars and regional calls that DOL and ED hold provide an excellent avenue for coordinating work and sharing results among states, ED, and DOL.

To improve support for the use of data in both operational and evaluative work, TWC has undertaken a new data warehouse project. The Business Insight Generator (BIG) system will streamline standard reporting to improve efficiency and will provide more resources for analysis and evaluation work. The system will also allow TWC to strengthen and align the connection of data on participants, services, and outcomes across programs, which will in turn enable TWC to monitor the highest level of systemwide data as well as monitor at the program level (WIOA Titles I-IV and beyond), the characteristic level (subpopulations across all programs), or a combination thereof (individuals in a program who meet specific conditions).

Over the past year, many of TWC's analytic resources have been heavily focused on WIOA implementation activities, such as conducting an updated Comprehensive Statewide Needs Assessment and making updates to the ever-changing Participant Individual Record Layout (PIRL) and RSA-911 logic and testing. Additionally, analytic resources have been tasked with working on TWC's WorkInTexas.com labor exchange replacement project to ensure that it will provide high-quality data that can be used to support evaluations.

Nevertheless, DOI has conducted other projects during this period, including development of a new model to identify unemployment claimants who need additional assistance to facilitate a timely return to work. This is the seventh such model that TWC has developed and the sixth in the last 12 years. TWC is interested in leveraging similar techniques to identify individuals who are not claimants but who might also benefit from additional assistance. TWC also performed an evaluation of the impact of services on rapid return to work and found that the single most valuable service was job matching/referrals. This makes the success of the WorkInTexas.com replacement project even more critical.

DOI also performs evaluation work for TWC's other programs. DOL is currently reviewing the cost effectiveness of various VR services. TWC is also participating in the University of Richmond's Vocational Rehabilitation Return on Investment project. TWC is providing data to the study as well as serving in advisory and steering roles for the project.

DOI has had discussions with TWC's Adult Education and Literacy (AEL) program staff regarding a study of AEL's professional development offerings looking at student engagement and outcomes before and after teachers participate in professional development. TWC will consider initial analysis and planning to determine viability of the study.

DOL is also looking for ways to leverage the national WIOA regression models to help with program evaluation. The models are helpful in showing the impact of various factors on performance, and we envision building off the models to test the impact of various services.

Finally, DOI uses its analytic resources to help prevent waste, fraud, and abuse in the unemployment insurance (UI) system by developing the predictive analytics models used by UI's benefit payment control and investigative staff. TWC is active within the national UI integrity sphere and supports other states' efforts to promote integrity in their systems by sharing best practices and contributing to the UI Integrity Center's Suspicious Actor Repository.

Customer Satisfaction

TWC's mission statement serves as the common denominator from which the agency's provision of customer service is evaluated and measured. TWC provides innovative workforce solutions to a large population of employers, job seekers or workers, and communities.

To ensure that the highest level of service is continually provided to all customers, TWC and the Boards conduct ongoing research and evaluations to identify best practices and find ways to improve service delivery. Each Board satisfies the customer-satisfaction requirement defined in WIOA §107(c)(2)(B) using consumer-satisfaction surveys that gather random responses from all

customers. Boards use this information to revise standards and develop initiatives that will benefit all customers.

TWC and the Boards will continue using customer service surveys to look at opportunities for improvement. Customer satisfaction is a priority for TWC, the Boards, and other statewide partners.

Performance Accountability System

While true WIOA performance accountability has been delayed at the national level as DOL and ED wait to obtain sufficient “Post-WIOA Begin” data, Texas completed its move to a WIOA-based performance accountability system in fall 2017, when TWC first reported WIOA-based outcomes for programs.

TWC’s version of the WIOA measures varies slightly from the statutory measures. WIOA emphasizes the importance of career pathways, and yet WIOA measures only recognize taking steps along a career pathway as success for former youth participants. From TWC’s perspective, helping a veteran who recently transitioned out of the military or another worker looking for a mid-career change to identify a career pathway and enroll in an education or training program that will allow him or her to achieve that outcome constitutes an important success, even if the workforce system is not funding the education or training. Therefore, TWC’s WIOA-based measures look for either employment or educational enrollment in the quarters after exit.

Additionally, the statutory measures that focus on Quarter 4 (Q4) after exit add little value. In most instances, the numbers look very similar to the Q2 numbers. TWC questions whether the workforce system deserves credit for an individual who exits, is unemployed, and is not enrolled in education for the first three quarters after exit, but then is employed or enrolled in Q4. While it is possible that the workforce system had something to do with that result, it is just as likely that it did not.

Therefore, Texas has replaced the Employment (and Employment/Enrollment) Q4 measures with a measure that takes those employed or enrolled in Q2 and then looks to see what happens to the individuals in Q3 and Q4. This functions as a retention measure and that disregards whether the individual was enrolled in all three quarters or employed in all three quarters or had a mixture of employment and enrollment across the three quarters. The measures build as follows:

- 1) Employed/Enrolled Q2 Post-Exit: What percent of exiters are employed or enrolled in Q2?
- 2) Median Earnings Q2 Post-Exit: How much are those employed in Q2 earning?
- 3) Employed/Enrolled Q2-Q4 Post-Exit: Of those employed or enrolled in Q2, what percent are also employed or enrolled in both Q3 and Q4?

Texas uses the WIOA Credential Rate. Additionally, TWC uses WIOA and WIOA-based measures for Boards and AEL grantees as well as at the state level.

Early performance has met expectations, although early targets were set without the benefit of statistical models, and we anticipate the system to mature as DOL and DOI develop more tools.

TWC's common exit policy applies to Titles I and III and the Jobs for Veterans State Grant, Trade Adjustment Assistance, DWG, Supplemental Nutrition Assistance Program–Employment and Training, and Temporary Assistance for Needy Families (TANF). TWC would like the option to apply this policy to Titles II and IV in the future when replacing the case management systems, assuming that ED eventually allows this option.¹

Data Validation

In the absence of joint data validation guidance to be issued by DOL and ED, TWC has continued to base data validation on prior DOL guidance. Additionally, TWC has used the Workforce Integrated Performance System edits to improve data quality both as submitted to DOL and as collected by TWC's case management systems.

Activities provided with Funds Reserved by the Governor

TWC uses Governor's Reserve statewide funding, TANF, and Adult Education and Family Literacy Act (AEFLA) State Leadership funding, in conjunction with other funding where feasible and appropriate, to encourage innovation in workforce areas through grants to Boards, institutions of higher education, community-based organizations, and other eligible entities. TWC prioritizes programs that assist specific populations and initiatives, including: veterans, youth, and science, technology, engineering, and math (STEM) programs.

The following activities were undertaken in whole or in part with WIOA funds reserved by the governor:

Veteran Initiatives

Hiring Red, White and You! (RWY)—TWC hosts an annual statewide job fair in November to connect Texas veterans and their spouses with Texas employers that value the experience, discipline, and other exceptional qualities inherent in a military background. In the first six years, RWY has connected more than 71,800 job seekers, including 36,200 active duty military and transitioning service members, veterans, and spouses, to 10,300 employers, with more than 1,700 same-day hires.

College Credit for Heroes—The program maximizes college credits awarded to veterans and service members for their military experience by developing streamlined degree paths and workforce certifications to expedite transition into the Texas workforce. Since 2011, more than 2,000 veterans have been served.

Veterans Workforce Outreach—The purpose of the Veterans Workforce Outreach program is to outreach hard-to-serve veterans who are not currently being served through Workforce Solutions Offices, address employment barriers faced by hard-to-serve veterans, and reintegrate hard-to-serve veterans into meaningful employment.

¹ When TWC suggested that states have this option when commenting on proposed WIOA rule §677.150, we were told that the ED will explore the feasibility of the use of a common exit policy for its Title II and VR programs in the future.

Youth Initiatives

Teacher Externships—TWC supports externships for middle school and high school teachers to allow them to learn first-hand about the skills required for in-demand occupations. These externships allow teachers to better understand in-demand careers in the local economy and convey to students the broad array of opportunities available to them. More than 2,500 teachers have participated since 2015.

Camp Code for Girls—Camps offer hands-on coding experiences for middle-school girls, which includes challenging, innovative concepts and experiences in learning, problem solving, and analytical skills, and simultaneously fosters an interest in STEM-related careers, with a focus on computer science. In 2017, more than 800 girls received scholarships for camp attendance across the state.

Foster Youth—TWC provides grants to 17 Foster Youth Transition Centers that provide a comprehensive array of services and referrals to help transitioning foster youth overcome barriers. TWC hosted our first annual Foster Youth conference to support local delivery of integrated services for foster youth, share perspectives from state and local partners and information on their critical work and resources for foster youth, and, provide opportunities to build the network of partnerships among state and local organizations serving foster youth.

Governor's Challenge Camp—The purpose of the Governor's Science and Technology Champions' Academy is to provide a STEM-related one-week residential summer camp for students in grades 9–12.

Texas Science Careers Consortium—The fair is a competition for state middle school and high school science fair winners to showcase research projects in STEM fields.

Other Selected Initiatives

Small Business Initiatives—TWC provides training and information to any and all Texans interested in entrepreneurship and starting or expanding a business or small business, including those run by veterans, minorities, and women.

High Demand Job Training Program—TWC supports collaborations between Boards and Economic Development Corporations (EDCs) to provide high-demand occupational job training in local workforce areas. This program supports Boards partnering with local EDCs that use their local economic development sales taxes for high-demand job training. Boards collaborate with local EDCs and match their local economic development sales tax funds to jointly support the provision of such training.

Building and Construction Trades—Texas companies are creating significant opportunities for workers in high-demand construction and building trade occupations, including carpenters, plumbers, pipefitters, welders, masons, and electricians; grants support workforce development training for Texas adults by preparing them for employment in high-demand occupations in the building and construction trades.

Innovative Academies—Funds support innovative partnerships between schools, employers, and colleges that provide new opportunities for students to acquire skills, certifications and credentials in high-demand occupations in key industry clusters, while allowing the students to

earn college credit that results in an associate degree or an articulated agreement toward a bachelor's degree.

Rapid Response—TWC is identifying early warning indicators within the BIG data warehouse that will identify employers that might benefit from rapid response activities and specific short-time compensation services.

National Dislocated Worker Grants

Since August 2017, following Hurricane Harvey, TWC has worked in close partnership with DOL and impacted Boards to implement a \$30 million DWG that supports Texas' efforts to rebuild. TWC has awarded \$21.5 million of the DWG funding to the Boards in disaster-affected workforce areas to subsidize wages for temporary cleanup workers and provide career and support services, and training to dislocated workers. Seven Boards have enrolled more than 2,500 participants, placed more than 700 participants in temporary jobs, provided career services to more than 2,000 participants, provided support services to more than 600 participants, and provided training services to 600 participants. DOL has approved up to \$1.4 million for Boards to purchase mobile units that can be used to assist in areas where a Workforce Solutions Office is not easily accessible. The grant award also supports 12 community and technical colleges in affected workforce areas as they build the capacity needed to provide immediate and short-term training to dislocated workers, as well as apply allocated funds toward an upskilling project that will allow Boards to partner with local entities to address skills shortages and industry needs created by the disaster.

Promising Practices, Lessons Learned, and Success Stories

Hurricane Harvey Success Story

In May 2017, one individual was laid off from a local radio station, and he had a difficult time finding employment after his layoff. Then, in August 2017, Hurricane Harvey hit, and businesses closed for repairs as opposed to hiring. He and his family lost their home in the storm, and they were living in a hotel for several months. He was enrolled in the Golden Crescent Board's DWG program and placed in subsidized employment as a case manager helping other hurricane victims. As a victim of the storm himself, he related to his clients' stories. After working for several months as a subsidized-employment humanitarian case worker, he became a permanent employee of the county's Long-Term Recovery Group. Now, the entire family is in a new home after receiving employment, child care, and transportation assistance to ensure he was positioned for success.

Governor's Summer Merit Program

For summer 2017, TWC awarded 18 grants through the Governor's Summer Merit Program, totaling more than \$1.26 million to Texas universities and community colleges for summer youth camps that focus on STEM. The grants provided opportunities for 1,351 students, ages 14 to 21, to attend camps that helped prepare them for future high-skill, high-demand jobs.

The Governor's Summer Merit Program's aim is to inspire Texas youth to pursue STEM-related careers. The camps introduced students to careers available in advanced technologies and manufacturing, aerospace and defense, biotechnology and life sciences, information and computer technology, and energy.

Several of the camps specifically targeted and encouraged young women and minorities to pursue further education and careers in STEM fields.

Some students had opportunities to take field trips that gave them access to high-tech equipment, such as 3-D printers and electron telescopes, while others visited science and engineering facilities and had the opportunity to meet and speak with industry professionals.

Camp Code

In summer 2017, TWC awarded eight grants totaling \$599,681 for Camp Code to focus on increasing the interest of middle school girls in computer coding and computer science through participation in summer camps. Camp Code offered hands-on experiences that provide students with challenging and innovative concepts and experiences in learning, problem solving, and using analytical skills, while fostering an interest in STEM-related careers with a focus on computer science.

According to the U.S. Census Bureau's 2015 American Community Survey, only 26 percent of employees in computer and mathematical occupations in Texas were women. The grants awarded to independent school districts, universities and higher education institutions are designed to spark girls' interests in careers in computer programming from an early age and encourage young women to consider careers in these fields.

Creating summer camps that offer computer science projects that incorporate art and storytelling with robotics, video games, websites, and applications can also further interest students in the coding field. Coding education includes the most in-demand and popular computer science languages, such as Java, SQL, C++, Net, Perl, Ruby, and JavaScript.

Camp Code provided students with activities and lessons that encouraged their interest in high technology, including working in teams to use programming languages to build games, web pages, and robots.

Prepare Students with Disabilities for Employment

Teenagers and young adults who want to jump-start their careers can benefit from Pathways to Careers, a TWC initiative to expand pre-employment transition services (Pre-ETS) to students with disabilities. The career-focused services include work opportunities, such as internships, apprenticeships, summer employment, and other job opportunities available throughout the school year.

The first Pathways to Careers program was Summer Earn and Learn. The program provided approximately 2,000 students with disabilities with work readiness training and paid work experience. The 28 Boards and their respective Workforce Solutions Offices, in partnership with

TWC VR staff, implemented the Summer Earn and Learn program and coordinated skills training and paid work experience.

The Boards identified business partners and paid the students' wages. Local VR offices assisted with recruiting students and providing case management services.

The Tarrant County Board partnered with local schools and Goodwill Industries of Fort Worth to implement its summer program. "In addition to Goodwill, other employers we've reached out to include CVS Pharmacy, Klein Tools and the City of Mansfield Parks and Recreation," said Tarrant County Executive Director Judy McDonald. "Helping students with disabilities gain work-related knowledge and skills is extremely important, and we want to enlist the support of as many employers as possible."

Other Pathways to Careers programs are being developed or are preparing to launch and expand upon Pre-ETS and career-related education for students with disabilities.