

Texas Workforce Commission
Agency Plan for American Recovery and Reinvestment Act (ARRA) Funds
Required by FY 2010-11 General Appropriations Act (GAA), Article XII, Sec. 5(a)
Prepared as of August 31, 2009

The Texas Workforce Commission (Commission) is submitting the required Plan for American Recovery and Reinvestment Act (ARRA) Funds as specified by FY 2010-11 General Appropriations Act (GAA), Article XII, Sec. 5(a). The following findings of fact and accompanying written plans were submitted previously by the Commission as authorized by H.B. No. 1, GAA, 80th Legislature, Regular Session, Article VII, Texas Workforce Commission Rider No. 19:

- On March 31, 2009, the Commission adopted an order finding that \$198,618,573 in additional FY2009 federal grant funds allotted to Texas from ARRA by the U.S. Department of Labor (DOL), Employment and Training Administration are required to maintain adequate levels of program performance (see Items 2, 3, 4, 6 and 7 below).
- On June 2, 2009, the Commission adopted an order finding that \$198,463,366 in additional FY2009 federal child care funds allocated to Texas from ARRA funds by the U.S. Department of Health and Human Services are required to maintain adequate levels of program performance (see Item 1 below).

Both of these findings of fact and their accompanying written plans outlining the use and projected impact of the additional federal funds on performance measures were filed with the Governor and the Legislative Budget Board (LBB) for a required review period. Without objection from the Governor or the LBB, the FY2009 appropriation has been increased.

Additional detail regarding plans for ARRA funds appropriated to the Commission is specified below (according to Article XII "Items"). A schedule containing a summary of financial information as of August 31, 2009 is attached.

Item 1: Child Care and Development Block Grant

Section A: Notice of Federal Grant Award

On April 9, 2009, the Commission received from the U.S. Department of Health & Human Services a notice of grant award of \$214,851,599 in Child Care Discretionary Funds (CFDA 93.575), as appropriated by the ARRA of 2009, P.L. 111-5.

Section B: Commission Order Adopting Finding of Fact and Written Plan

On June 2, 2009, the Commission adopted an order finding that \$198,463,366 of this grant would be available for agency expenditure [\$16,388,233 was determined by the Legislature to be available to the Department of Family and Protective Services (DFPS)], and concluding that this additional appropriations authority was required to maintain adequate levels of program performance.

The written plan accompanying the Commission Rider No. 19 finding of fact included \$151,202,053 to workforce areas for direct child care services to serve an estimated average of 24,599 children per day for 18 months and \$32,301,313 to workforce areas to support quality expansion initiatives. Subsequent to the submission of the written plan, and based upon input from the Local Workforce Development Boards, the Commission has authorized 24-month contracts to serve an estimated average 18,541 children per day. The remaining \$14,960,000 in child care funds will be administered by the Commission for the Child Care Automated Attendance initiative (\$10,000,000) and state level administration (\$4,960,000) from June 1, 2009 through December 31, 2010

Section C: Adoption of Funding Allocations by Commission

On June 9, 2009, the Commission adopted allocations of \$183,503,366 to workforce areas across the state. These allocations included subset amounts of \$6,286,262 in Infant & Toddler Targeted Funds, \$17,761,545 in Other Quality Expansion Funds, and \$8,253,506 in “At Least 4 Percent Quality” amounts (totaling \$32,301,313 supporting quality expansion initiatives), as set forth in the written plan accompanying the Commission Rider No. 19 finding of fact.

Item 2: Employment Services (ES)

Section A: Notice of Federal Grant Award

The Commission was notified by DOL (Training and Employment Guidance Letter No. 13-08, dated March 6, 2009) that the Texas Wagner-Peyser Act statutory allotment from the recently-enacted ARRA would total \$27,188,088, comprised of a Reemployment Services amount of \$16,992,555 and an Employment Services amount of \$10,195,533.

Section B: Commission Order Adopting Finding of Fact and Written Plan

On March 31, 2009, the Commission adopted an order finding that funds appropriated from authority in the ARRA and allotted to Texas from DOL, which totaled \$27,188,088 from the Wagner-Peyser Act statutory allotment, would be available for agency expenditure, and were required to maintain adequate levels of agency performance.

The written plan accompanying the Commission Rider No. 19 finding of fact, points out that Wagner-Peyser funds are allocated to workforce areas under the “Texas model” are used primarily to support the Commission merit staff salaries, and that salary budgets are not considered an “obligation” in the context of the DOL requirement that these funds be obligated by September 30, 2010; therefore, all efforts will be made to accomplish the expenditure of the funds prior to that time.

The Wagner-Peyser Recovery Act funds are intended to provide comprehensive services to businesses and job-seekers to improve the nation’s labor market by bringing together employers seeking workers and individuals seeking employment. The Commission has hired an additional 349 staff on a temporary basis (through September 30, 2010) to assist with providing reemployment services to UI claimants and other job-seekers seeking services in Texas Workforce Centers. Job-seekers may receive a variety of services, including referral to job openings, assessment, employment counseling, access to resource areas in Texas Workforce Centers, labor market information, and seminars on such topics as resume-writing, interviewing skills, and job-hunting techniques.

Section C: Adoption of Funding Allocations by Commission

On April 7, 2009, the Commission adopted allocations of Wagner-Peyser funds to workforce areas across the state. These allocations included subset amounts of \$12,846,371 for Reemployment Services and \$7,707,823 for Employment Services, totaling \$20,554,194 (which included personnel fringe benefit amounts).

Item 3: Senior Community Service Employment Program (SCSEP)

Section A: Notice of Federal Grant Award

In a letter dated March 4, 2009, the Commission was notified by DOL that Texas would receive a new grant for SCSEP from the recently-enacted ARRA, totaling \$1,316,701.

Section B: Commission Order Adopting Finding of Fact and Written Plan

On March 31, 2009, the Commission adopted an order finding that funds appropriated from authority in the ARRA and allotted to Texas from DOL (which totaled \$1,316,701 from the Senior Community Service Employment Program [SCSEP]) would be available for agency expenditure, and were required to maintain adequate levels of agency performance.

The written plan accompanying the Commission Rider No. 19 finding of fact, points out that SCSEP funds are available to enhance services to eligible individuals aged 55 or older by providing community service opportunities to assist them in gaining competitive job skills, leading to unsubsidized employment through temporary subsidized employment in government and nonprofit entities. DOL requires community service assignments focus on growth industries (e.g., health care, child care, education, green jobs, energy efficiency, and environmental services) and expanded public service activities that use ARRA funds.

Item 4: Workforce Investment Act (WIA) - Adults

Section A: Notice of Federal Grant Award

The Commission was notified by DOL (Training and Employment Guidance Letter No. 13-08, dated March 6, 2009) that the Texas Workforce Investment Act (WIA) allotment from the recently-enacted ARRA would total \$34,344,771 for the WIA Adult Activities program.

Section B: Commission Order Adopting Finding of Fact and Written Plan

On March 31, 2009, the Commission adopted an order finding that funds appropriated from authority in the ARRA and allotted to Texas from DOL, which included \$34,344,771 from the WIA allotment for Adult Activities, would be available for agency expenditure, and were required to maintain adequate levels of agency performance.

The written plan accompanying the Commission Rider No. 19 finding of fact, provides that in accordance with program statute, regulations, and the state plan, WIA allocations for Adult Activities will be available to provide core, intensive, and training services for qualified low-income individuals and those receiving public assistance. The Commission established a requirement that workforce boards expend at least 67% of their adult program funds to support individuals in training, which may include occupational skills training; on-the-job training programs that combine workplace training and related instruction, include registered apprenticeship; private sector training; skills upgrade and retraining; entrepreneurship training; job-readiness training; adult education and literacy training; and customized training. Additionally, the ARRA specifically emphasizes the authority to use these funds for qualified support services and needs-related payments to ensure that participants have the means to pay living expenses while receiving training.

Section C: Adoption of Funding Allocations by Commission

On April 7, 2009, the Commission adopted allocations of WIA funds to workforce areas across the state, including \$29,193,055 for Adult Activities.

Item 5: Workforce Investment Act (WIA) - Skills Development Program

Section A: Legislative Appropriation Authority

An appropriation of \$10,000,000 was included for the FY 2010-11 biennium by the Legislature in the GAA, Article XII, for the Commission as Item 5 for the Skills Development Program. The method of financing was noted as “Workforce Investment Act (WIA)—Adults,” although there is an insufficient amount of WIA Adult Activities funds (i.e., that has not been required by regulation to be allocated to

(Item 5, Section A Continued)

workforce areas) among those ARRA-appropriated funds allotted to the Commission. Such a project as “Skills Development Program” should be funded as a Statewide Activities project under WIA regulations, and as such, should be funded with amounts made available from Dislocated Worker and Youth Activities, as well as Adult Activities. Therefore, the Commission will adjust the method of financing for this Item to include proportionate amounts from all three of these WIA funding programs.

Item 6: Workforce Investment Act (WIA) - Dislocated Workers

Section A: Notice of Federal Grant Award

The Commission was notified by DOL (Training and Employment Guidance Letter No. 13-08, dated March 6, 2009) that the WIA allotment from the recently-enacted ARRA would total \$53,768,305 for the WIA Dislocated Worker Activities program.

Section B: Commission Order Adopting Finding of Fact and Written Plan

On March 31, 2009, the Commission adopted an order finding that funds appropriated from authority in the ARRA and allotted to Texas from DOL, which included \$53,768,305 from the WIA allotment for Dislocated Worker Activities, would be available for agency expenditure, and were required to maintain adequate levels of agency performance.

The written plan accompanying the Commission Rider No. 19 finding of fact, provides that in accordance with program statute, regulations, and the state plan, WIA allocations for Dislocated Worker Activities will be available to provide assistance for job search, financial planning, stress management, and referral to vocational skills training, as appropriate, for workers who have been laid-off. The Commission established a requirement that workforce boards expend at least 67% of their adult program funds to support individuals in training, which may include occupational skills training; on-the-job training programs that combine workplace training and related instruction, include registered apprenticeship; private sector training; skills upgrade and retraining; entrepreneurship training; job-readiness training; adult education and literacy training; and customized training.

Section C: Adoption of Funding Allocations by Commission

On April 7, 2009, the Commission adopted allocations of WIA funds to workforce areas across the state, including \$32,260,983 for Dislocated Worker Activities. This allocation was increased to \$41,796,460 in supplemental allocations adopted July 14, 2009, when amounts needed for Rapid Response Activities were adjusted to \$3,801,599.

Item 7: Workforce Investment Act (WIA) – Youth

Section A: Notice of Federal Grant Award

The Commission was notified by DOL (Training and Employment Guidance Letter No. 13-08, dated March 6, 2009) that WIA allotment from the recently-enacted ARRA would total \$82,000,708 for the WIA Youth Activities program.

Section B: Commission Order Adopting Finding of Fact and Written Plan

On March 31, 2009, the Commission adopted an order finding that funds appropriated from authority in the ARRA and allotted to Texas from DOL, which totaled \$82,000,708 from the WIA allotment for Youth Activities, would be available for agency expenditure, and were required to maintain adequate levels of agency performance.

(Item 7, Section B Continued)

The written plan accompanying the Commission Rider No. 19 finding of fact, provides that in accordance with the Congressional explanatory statement accompanying the ARRA (as further clarified by DOL) these funds should be used to create summer employment opportunities for youth, and that “work readiness” will be the only indicator to assess the effectiveness of summer employment. (Note: The ARRA increased eligibility for youth to be served from a maximum of 21 years old to 24 years of age.)

DOL strongly urges that these funds be used to quickly establish as many high-quality summer employment opportunities as possible in the summer of 2009, and work experience throughout the year. Work experience is the core component of a summer employment program, and should be designed to encourage participants to take responsibility for their learning, to understand and manage their career options, and to develop social skills and a maturity level that will help them interact positively with others.

DOL further states that classroom training coupled with work experience is critical, particularly for younger youth or older youth with educational deficiencies. For these youth, a combination of work-based and classroom-based learning activities may be warranted to provide basic skills instruction, career exploration, and life skills training. The Commission established a performance target which requires that, at a minimum, 14,420 youth receive summer employment services.

Section C: Adoption of Funding Allocations by Commission

On April 7, 2009, the Commission adopted allocations of WIA funds to workforce areas across the state, including \$69,700,602 for Youth Activities.

Item 8: Unemployment Insurance - Improve Systems

Section A: Notice of Federal Grant Award

The Commission was notified by DOL (Unemployment Insurance Program Letter No. 14-09, dated February 26, 2009) that a “Special Administrative Transfer” totaling \$39,690,810 as authorized in the ARRA [Section 2003(a) of P.L. 111-5 added a new subsection to Section 903, SSA, to make an administrative transfer to all states] would be made to the Unemployment Trust Fund for Texas.

Section B: Legislative Appropriation Authority

An appropriation of \$39,700,000 was included for the FY 2010-11 biennium by the Legislature in the GAA, Article XII, for the Commission.

Section C: Plan for Funds in FY2010

The Texas Workforce Commission Operating Budget for FY 2010 includes \$500,000 to develop a comprehensive short- and long-range strategic plan for the Commission’s Unemployment Insurance Information Technology systems and processes, including identification of areas in which the efficiency and cost- effectiveness of performance can be enhanced. (Note: At this time, the Commission is assuming that the method of financing for this project will be this Special Administrative Transfer; however, the Commission has also submitted a “Supplemental Budget Request” to DOL for \$500,000 funding this project. If approved, no funding from the Special Administrative Transfer will be needed for this strategic plan.)

The strategic plan will be used to establish funding priorities for enhancing or modifying Unemployment Insurance Information Technology systems in the future.