Part XX. Texas Workforce Commission  
Chapter 800. General Administration  
Subchapter B. Allocation and Funding  
40 TAC §800.61  
The Texas Workforce Commission (Commission) proposes new §800.61, relating to the Welfare to Work program.  
Section 800.61 explains the allocation formula for the Welfare to Work program. The Balanced Budget Act of 1997 authorized the U.S. Department of Labor (DOL) to provide Welfare- to-Work (WtW) Formula Grants to states and local communities to create additional job opportunities for hard-to-employ recipients of Temporary Assistance for Needy Families (TANF). These grants will provide many welfare recipients with job placement services, transitional employment, and other support services which they need to make the successful progression into long-term unsubsidized employment. The State Welfare to Work plan is an addendum to the State's TANF plan. Under the WtW Formula Grant Program, Texas will allocate 85 percent of its funding from DOL to the Boards. If a Local Workforce Development Area does not have a certified Board, the funds for that area will be allocated to the PIC for that area. Federal law requires that the allocation of funding to Boards be based on a formula in which allocation of at least half of the funds is based on the relative percentage of the Local Workforce Development Area's (LWDA) residents who are poor, i.e. the number of poor individuals living in the area in excess of 7.5 percent of the total population of the area. Not more than half of the funds may be distributed based on one or both of two additional factors: (1) the number of adults in the LWDA receiving TANF for 30 months or more (long-term TANF factor), and/or (2) the number of unemployed individuals in the LWDA (unemployment factor).  
The Commission proposes that the WtW Formula Grant funds be allocated to the LWDAs based upon the poverty factor and the long-term TANF factor. This formula provides the maximum emphasis permitted under the law on those whom the program is targeted to serve--hard-to-employ TANF recipients.  
Randy Townsend, Director of Finance, has determined that for each year of the first five years the rule as proposed will be in effect, there will be no fiscal implications for state or local government as a result of enforcing or administrating the rule.  
Mike Sheridan, Executive Director of the Commission, has determined that the public benefit anticipated as a result of the rule as proposed will be the allocation of funds to assist hard-to-employ welfare recipients living in high poverty areas transition into unsubsidized employment and economic self-sufficiency. There is no cost to small businesses to comply with the new rule as proposed. There is no economic cost to persons required to comply with the rule.  
Mark Hughes, Director of Labor Market Information, has determined that there is no significant negative impact upon employment conditions in this state as a result of this proposed rule.  
Comments on the proposed rule may be submitted to Larry Temple, Welfare Reform Division, Texas Workforce Commission, 101 East 15th Street, Room 440T, Austin, Texas 78778; Fax Number 512-463- 7379; or E-mail to larry.temple@twc.state.tx.us.  
Comments must be received by the Commission no later than thirty (30) days from the date this proposal is published in the Texas Register.  
The rule is proposed under Texas Labor Code §301.061 which provides the Texas Workforce Commission with the authority to adopt, amend, or repeal such rules as it deems necessary for the effective administration of Texas Workforce Commission programs.  
The proposal affects the Texas Labor Code, Title 4.  

§800.61. Welfare to Work Program.  
(a) At least eighty-five percent (85%) of the federal funds available to the
Texas Workforce Commission (Commission) for the Welfare to Work program will be allocated by the Commission to the workforce areas according to the formula, as follows:

(1) fifty percent (50%) of these federal funds will be allocated based on the relative number by which the population in the area below poverty exceeds 7.5 percent of the total population (referred to as the poverty factor), and

(2) fifty percent (50%) of these federal funds will be allocated based on the relative number of adults residing in the areas receiving assistance under TANF or the predecessor program for at least 30 months (referred to as the long-term TANF factor.)

(b) Notwithstanding the allocation formula in (a) above, of the funds allocated, no more funds may be disbursed than the total for which match is recorded, documented, or certified by the state.

(c) At least 85% of any unencumbered general revenue funds appropriated or otherwise made available to the Commission for the sole purpose of providing cash match for the Welfare to Work program shall be allocated based upon the same allocation formula as in (a) above.

(d) No more than ten percent (10%) of the funds expended as part of a workforce area's allocation shall be used for administrative costs, as defined by the appropriate federal regulations and Commission policy.

(e) Subsections (a)-(c) of §800.51 of this chapter (relating to Allocation and Funding) do not apply to this section.

This agency hereby certifies that the proposal has been reviewed by legal counsel and found to be within the agency's legal authority to adopt.

Filed with the Office of the Secretary of State, on April 29, 1998.

TRD-9806035

J. Randel (Jerry) Hill
General Counsel
Texas Workforce Commission

Earliest possible date of adoption: June 14, 1998

For further information, please call: (512) 463-8812

40 TAC §800.62

The Texas Workforce Commission (Commission) proposes new § 800.62, concerning School-to-Careers activities.

The proposed rule is based on a five-year period for implementation of the state's School-to-Careers activities, which began March 1, 1997, in accordance with the federal grant awarded to the state by the U.S. Department of Education. The rule is proposed based on the presumption of continued federal funding in accordance with the state's application for an implementation grant as approved by the U.S. Department of Education, U.S. Department of Labor and the National School-to-Work Office.

For the need-based method of allocation, the Commission anticipates using student population information from the following sources: the Texas Education Agency for grades kindergarten - 12, the Texas Higher Education Coordinating Board for community and technical college enrollment of students ages 15-25, and the Texas Workforce Commission JTPA Title II- C Youth Training Program for youths ages 16-21.

From the total amount of funds awarded to the state, the state's share for conducting School- to-Careers activities shall be no more than thirty percent in the first year of the grant; twenty percent in the second year; and ten percent in the third, fourth, and fifth years. State administrative costs shall be limited to an amount not to exceed ten percent of each year's total grant award.

Competitive subgrants were awarded to local partnerships for the first year of the implementation grant in accordance with the state's application to the U.S. Department of Education. For the continuation of the implementation grant, a need-based formula will be used to allocate funds among local workforce areas.
development areas throughout the state in accordance with Texas Labor Code, §302.062.

New §800.62, School-to Careers, sets out the method of allocating funds to local partnerships for the state's School-to-Careers activities funded by the School-to-Work Opportunities Act as codified at 20 U.S.C.A. §§6141 et seq. Randy Townsend, Director of Finance, has determined that for the first five-year period the rule is in effect, there will be no fiscal impact to state or to local governments as a result of enforcing or administering the rule. There will be no foreseeable cost reductions to the state or to local governments, no net effect on revenues as a result of enforcing and administering the rule, and no foreseeable implications relating to costs or revenues to the state or to local governments associated with implementing the rule. There will be no effect on small businesses. There are no anticipated costs to persons who are required to comply with the rule as proposed.

Alan Miller, Director of Workforce Development Division, has determined that for each year of the first five years the rule is in effect, the public benefit anticipated as a result of enforcing the rule will be providing funding to assist communities in offering multiple opportunities for interested students to experience increased awareness of career possibilities and the expectations of employers in the workplace and community.

Comments on the proposed rule may be submitted to Sandra Smith, Education and Special Services, Texas Workforce Commission Building, 101 East 15th Street, Room 526BT, Austin, Texas 78778, fax (512) 305-9182. Comments may also be submitted via e-mail to Ms. Smith at sandra.smith@twc.state.tx.us.

The new rule is proposed under Texas Labor Code, §301.061, which provides the Texas Workforce Commission with the authority to adopt such rules as it deems necessary for the effective administration of the Act.

Texas Labor Code, Title IV and particularly, Chapter 301 and Chapter 302, will be affected by the proposed rule.

§800.62. School-to Careers.

(a) The purpose of this section is to establish a method of allocating funds received by the Texas Workforce Commission (Commission) under a federal grant pursuant to the School-to-Work Opportunities Act as codified at 20 U.S.C.A. §§6141 et seq. (the Act) to local partnerships for implementation of School-to-Careers activities.

The purpose of School-to-Careers is to assist local partnerships in developing local School-to-Careers activities that engage interested youths in the lifelong acquisition of knowledge and skills necessary to pursue meaningful, challenging and productive careers in high-skill, high-wage jobs. Subsections (a) - (c) of § 800.51 of this subchapter (relating to Allocation and Funding) do not apply to funds awarded pursuant to this section.

(b) The following words and terms, when used in this section, shall have the following meanings, unless the context clearly indicates otherwise:

(1) Local partnership -- A local committee in a workforce area or group of workforce areas or advisory committee of a local workforce development board (workforce board), in areas where the workforce board has been certified, that is responsible for developing local School-to-Careers activities and whose membership is in accordance with the Act. Local partnerships are comprised typically of interested students; parents; local educators, including secondary and postsecondary educators; local employers and labor representatives; local elected officials, including school boards; and others as detailed in the Act.

(2) School-to-Careers activities -- Voluntary activities that facilitate understanding by interested students and their parents of expectations of employers and community professionals and provide multiple opportunities for interested students to experience success in meeting those expectations in the workplace and in the community.
(3) Substate application -- An application submitted by a local partnership to the Commission to request funds for implementation of School-to-Careers activities.

(c) A local partnership shall receive a base amount each year as follows to implement basic School-to-Careers activities.

(1) In the second, third, and fourth years of the grant, the base amount is estimated at $75,000 or the amount as determined by the Commission taking into consideration available funds.

(2) In the fifth year of the grant, the base amount is estimated at $45,000 or the amount as determined by the Commission taking into consideration available funds.

(d) After allocating the base amount, the Commission shall allocate the remaining funds according to a need-based method which uses as the primary factor each local partnership's relative share of the state's student population. The Commission may reduce the need-based allocation to any local partnership that does not demonstrate or maintain satisfactory progress in the previous year, relative to the following factors:

(1) the overall quality of the plan submitted;
(2) the readiness of the local partnerships to implement the plan or the ability to continue implementing the plan;
(3) the progress made by the local partnerships in accomplishing specific objectives to date; and
(4) the relevant additional factors as deemed appropriate for consideration by the Commission that bear upon the ability of the local partnerships to meet their goals.

(e) The Commission shall allocate and reallocate funds under this section only to a local partnership that meets all of the following requirements:

(1) the substate applicant submitted a complete application, which the Commission approved;
(2) the substate application contained assurances that the School-to-Careers activities shall be implemented only if there is strong local school board control, complete student choice, and informed parental involvement;
(3) the local partnership and the Commission properly executed a contract for implementing the School-to-Careers activities; and
(4) the local partnership demonstrated satisfactory progress in fulfilling the previous year's contract.

(f) To facilitate the transition to the need-based method of allocations, the Commission may use a portion of the state's share of the second year grant to offset any reduction in allocation to local partnerships in the second year if the implementation of the need-based method would reduce the local partnership's second year allocation.

(g) The Commission may allocate additional funds from the state's share of the grant according to criteria established at the discretion of the Commission.

(h) Notwithstanding any other provision of this section, the level of funding allocated to a local partnership may be modified or reallocated by the Commission for one or more of the following purposes:

(1) to ensure compliance with state and federal requirements applicable to the state,
(2) to ensure full utilization of the funding, or
(3) to ensure appropriate progress in accomplishing the state's responsibilities under the School-to-Careers implementation grant.

(i) If it is determined by the Commission that a local partnership will not fulfill its responsibilities under the substate grant, the Commission may declare the local partnership non-responsive and accept an application from a newly constituted local partnership or other entity meeting the criteria of the Act, established in accordance with guidance from the Commission, to proceed with implementation of the School-to-Careers activity in the workforce area.
Section 800.59, of this Subchapter (relating to Funds Not Allocated), and § 800.60, of this Subchapter (relating to Reallocation of Funds), shall not apply to this section.

(j) State administrative costs may not exceed ten percent of the grant award or as otherwise permitted by the Act.

This agency hereby certifies that the proposal has been reviewed by legal counsel and found to be within the agency's legal authority to adopt.

Filed with the Office of the Secretary of State, on May 4, 1998.

TRD-9806198
J. Randel (Jerry) Hill
General Counsel
Texas Workforce Commission
Earliest possible date of adoption: June 14, 1998
For further information, please call: (512) 463-8812