

FDCM Letter



2023 Fraud Deterrence and Compliance Monitoring (FDCM) Letter

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TO: Fraud Deterrence and Compliance Monitoring Directors
Local Workforce Development Board Executive Directors
Vocational Rehabilitation Division Directors
Finance Directors
Office of General Counsel

FROM: Chuck Ross, Division Director of Fraud Deterrence and Compliance Monitoring

DATE: February 8, 2023

SUBJECT: **Monitoring the Summer Earn and Learn Program**

PURPOSE

To inform Local Workforce Development Boards (Boards) of Vocational Rehabilitation (VR) Summer Earn and Learn (SEAL) pre-employment transition services (Pre-ETS) monitoring.

BACKGROUND

The Texas Workforce Commission (TWC) executes a fee-for-service contract with Boards to deliver Summer Earn and Learn (SEAL) services to students with disabilities. This means Boards are contractors for the SEAL program and not grant subrecipients.¹ Boards are paid established fees based on completion of the program deliverables as specified in [Section 1.7.8 SEAL Services Payment Structure](#). The fees are intended to pay for service deliverables, including materials and supplies. [Board VR Requirements Chapter 1: Summer Earn and Learn \(SEAL\)](#) describes the contract statement of work and associated deliverables and requirements and [Chapter 4: Board VR Contract Standards](#) establishes basic contract standards that apply to all Board managed VR services. Board

¹ The TWC's Office of the General Counsel (OGC) determined that Boards serving in the role of contractors for purposes of effectuating the SEAL program is consistent with relevant provisions of 2 CFR 200 and Texas Government Code § 2308.303. (TWC OGC Memorandum "Role of Local Workforce Development Boards vis-à-vis TWC VR Programs" dated 13 February 2020.)

subcontractors who provide services for the SEAL program must meet the same requirements and level of experience as required of the Board. The Board and subcontractor staff that provide SEAL services must comply with all SEAL requirements.

INFORMATION

SEAL Program Overview and Objective

The SEAL program establishes a mechanism by which Pre-ETS are provided to students with disabilities, as required under Title IV of the Workforce Innovation and Opportunity Act (WIOA), which modified the Rehabilitation Act of 1973 (Rehabilitation Act).

SEAL provides the following to students with disabilities:

- pre-employment work readiness training and preparation for the work experience placement;
- work experience to gain familiarity with the workplace environment and develop transferable job skills; and
- paid compensation for time worked on the job.

SEAL's objective is to increase work-based learning opportunities for students with disabilities through Texas' integrated workforce system, thereby providing VR participants with foundational employment skills and better preparing them for successful transition to postsecondary education and employment.

SEAL Provisions

As mentioned in the [Background](#) section, TWC has published the [Board VR Requirements Manual](#). The Board VR Requirements Manual:

- requires Boards ensure that youths have access to quality services assisting them in achieving a successful employment outcome;
- requires Board procedures aim to ensure that resources are utilized wisely and each purchase paid with public funds represents the best value to the taxpayer;
- provides published guidance for programming and fiscal accountability; and
- provides criteria for meeting TWC performance expectations for each program offered to VR customers by the Boards.

Chapters 1 and 4 detail specific provisions for the SEAL program. Compliance with these provisions will be monitored. Boards must comply with these provisions to remain in good contract standing with TWC for SEAL services.

Boards should also be aware of provisions in [40 TAC Chapter 858, Procurement and Contract Management Requirements for Purchase of Goods and Services for Vocational Rehabilitation Services](#). This chapter covers topics including:

- general requirements for contracting with TWC for VR goods and services,
- a contractor's responsibility related to VR customer complaints,

- TWC’s authority to monitor VR purchased services,
- consequences for contract noncompliance, and
- VR contractor appeals.

SEAL Monitoring by TWC

TWC’s Vocational Rehabilitation Contract Oversight and Support Department (VR COS) within the Division of Fraud Deterrence and Compliance Monitoring (FDCM) conducts monitoring and provides oversight of contracted VR goods and services. Because SEAL is a VR contracted service, Boards should be aware that SEAL services are within the scope of VR COS’s monitoring and oversight duties and responsibilities. Boards must cooperate with VR COS conducted monitoring reviews and provide documentation within specified timeframes upon request. VR COS will annually provide SEAL monitoring guidance and tools to the Quality Assurance Network (QAN) for dissemination to Boards prior to initiating monitoring.

The Agency-Board Agreement (ABA) for an Integrated Workforce System requires that Boards provide copies of all policies and procedures to TWC. This includes VR related policies and procedures. Failure to comply with monitoring; failure to follow requirements and contract standards in the Board VR Requirements Manual; failure to comply with applicable ABA requirements; or failure to comply with TWC rules, policies, or procedures in general may result in adverse action as detailed in 40 TAC §858.9. Compliance violations may result in a finding(s) of misspent funds necessitating recoupment.

ACTION REQUIRED

All TWC staff, Local Workforce Development Board staff, supervisors, and managers should be aware of the information in this letter.

This letter is provided strictly as informational to Board Executive Directors and may be shared with their staff as they deem appropriate.

INQUIRIES

TWC staff are available to provide technical assistance and more detailed information about SEAL requirements and best practices. Boards and/or their contractors and subcontractors should direct programmatic questions to the Pre-ETS mailbox at VR.Pre-ETS@twc.texas.gov, contract monitoring related questions to VRContractOversight@twc.texas.gov, and general contract questions to cmu.contract.management@twc.texas.gov.

Keywords: Vocational Rehabilitation, Boards, Summer Earn and Learn

Rescissions: None	Expiration: Until Rescinded
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