

Texas Workforce Commission Integration of Workforce Services

January 2005



— TEXAS —
WORKFORCE SOLUTIONS
* * * * *

Texas Workforce Commission Integration of Workforce Services

Purpose of Report

In 2003, the Legislature enacted Senate Bill (SB) 280, the sunset legislation continuing the Texas Workforce Commission (TWC). Among other things, the bill calls for greater integration of federal block grant programs administered by TWC and the local workforce development boards (Boards). The bill directs TWC to review its rules, policies, procedures and organizational structures to identify specific barriers to integration, and to conduct three to five pilot projects in different local workforce areas to identify the best methods by which to integrate the block grant programs and associated caseworker functions. The bill calls for a report on the results of the review and pilot projects. This report presents TWC's review of its rules, policies, procedures and organizational structure, the preliminary results of the three pilot projects, and the next steps in addressing barriers to integration.

Legislative Charge

The pertinent text of S.B. 280 is as follows:

SECTION 4.08. INTEGRATION OF BLOCK GRANT PROGRAMS AND WORKFORCE SERVICES.

- (a) To streamline the delivery of services provided in local career development one-stops, the TWC and local workforce boards shall integrate the administration of the following federal block grant programs and the caseworker functions associated with those programs as provided by this section:
 - (1) Temporary Assistance for Needy Families (TANF) CHOICES training and employment programs under Chapters 31 and 34, Human Resources Code;
 - (2) child care programs under Chapter 44, Human Resources Code;
 - (3) employment and training programs under Title I of the Workforce Investment Act of 1998 (29 U.S.C. Section 2801 et seq.) or any subsequent applicable federal legislation; and
 - (4) the food stamp employment and training program authorized under 7 U.S.C. Section 2015(d).
- (b) The commission, in consultation with local workforce development boards, shall ensure that state-level performance measures, rules, policies, procedures, and organizational structures support the integration of the federal block grant programs described by Subsection (a) and the caseworker functions associated with those programs at the local level.
- (c) Each local career development one-stop that provides services through the federal block grant programs described by Subsection (a) shall provide:
 - (1) integrated services across the programs;
 - (2) an integrated determination through a single point of contact of a customer's eligibility for services under more than one program; and
 - (3) integrated case management through a single point of contact for a customer receiving services under more than one program.

SECTION 4.13. The Texas Workforce Commission shall implement Section 302.065 (c), Labor Code, as added by this article, not later than September 1, 2007.

- SECTION 4.14. (a) Not later than September 1, 2004, the Texas Workforce Commission shall:
- (1) implement Subsections (a) and (b), Section 302.065, Labor Code, as added by this article;
 - (2) conduct a review of the commission's programs, rules, policies, procedures, and organizational structure to identify specific barriers to the integration by the commission of federal block grant programs and the caseworker functions associated with those programs;
 - (3) conduct at least three and not more than five pilot projects in different local workforce development board areas to identify the best methods to integrate federal block grant programs and the caseworker functions associated with those programs; and
 - (4) modify and develop the commission's programs, rules, policies, procedures, and organizational structure to support the integration by the commission of federal block grant programs and the caseworker functions associated with those programs.
- (b) The commission may request a waiver of any federal requirement from a federal agency if the commission determines that the waiver is necessary for the implementation of this section.
- (c) Not later than January 15, 2005, the Texas Workforce Commission shall submit to the 79th Legislature a report regarding the results of the review and pilot projects conducted by the TWC under Subsection (a) of this section. The report must include the commission's recommendations for any statutory changes required to facilitate the integration by the commission of federal block grant programs and the caseworker functions associated with those programs.

Background

The Texas workforce system is a continuously evolving public-private partnership among TWC, 28 Boards and their one-stop operators, and numerous other service providers and stakeholders. Workforce services are provided through more than 280 one-stops centers and satellite offices. One-stop centers bring employers and job seekers together: employers use the centers to recruit workers that will meet their business needs, and job seekers use the centers to identify employment opportunities, and if needed, receive the training and education necessary to increase their skills and achieve their employment goals. The Boards are responsible for meeting the needs of employers and job seekers using a myriad of resources, including the four federal block grants named in Section 4.08 of SB 280 – Temporary Assistance for Needy Families (TANF) Choices employment and training, Child Care and Development Fund (CCDF), Workforce Investment Act (WIA), and Food Stamp Employment and Training (FSE&T).

In an effort to more fully integrate workforce services at the local level, TWC has transitioned to the Boards four additional programs previously operated at the state level: Project Reintegration of Offenders (Project RIO), Wagner-Peyser Employment Services (ES), and Veterans' Employment and Training Services (VETS), and Trade Adjustment Act Services (TAA).

Seven of these programs are under the oversight of three distinct federal agencies: the U.S. Department of Labor (DOL), the U.S. Department of Health and Human Services (DHHS), and the U.S. Department of Agriculture (USDA). The remaining program, Project RIO, is a state program. It is important to note that funding from the federal agencies constitutes nearly 91 percent of TWC's budget and 91.2 percent of the funds allocated to the Boards.

The federal oversight agencies have differing missions and goals for the programs under their jurisdiction. DOL focuses on employment outcomes; DHHS stresses welfare recipient's participation in activities that lead towards employment, while USDA's primary focus is nutritional support. In addition, these federal agencies have differing performance goals and objectives, differing reporting requirements, and differing funding requirements that often prescribe or restrict the use of federal funds.

Within the framework of differing federal laws and regulations, TWC has established administrative rules that have created efficiencies while supporting integration. For example, in February 1999, TWC adopted a comprehensive monitoring rule that set forth provisions for monitoring TWC's contracts with the Boards as well as other sub-recipients. The monitoring rule establishes a common practice for monitoring contracts regardless of the funding source or program. Boards use the rule for their contracts, instead of following multiple practices and procedures for each separate funding sources.

TWC continues to fulfill its statutory requirement of establishing administrative rules and policies that support an integrated workforce system. Within the structure of TWC's administrative rules, set forth in 40 Texas Administrative Code, the Boards determine how services are best delivered to meet the needs of both employers and job seekers.

Integrating Workforce Services in an Employer-Driven System

In addition to integrating workforce services and the associated caseworker functions, Section 3.04 of SB 280 requires TWC to "meet the needs of businesses in this state and to equip workers and job seekers with the skills required to compete for jobs in this state." TWC is committed to doing both.

TWC knows that if the Texas workforce system is going to fulfill its purpose of matching employers to qualified, job-ready workers, the system has to stay focused on that purpose. TWC believes that integrating workforce services is the best way to maintain the focus. With this in mind, TWC has conducted the review of its programs, rules, policies, procedures, and organizational structure. TWC recognizes the necessity of expanding its review beyond the four block grant programs outlined in SB 280 to the remaining four Board-administered programs, because the key to effective customer service is the customer, not funding sources and programs.

Current Barriers to Integrating Workforce Services

Barrier One: Program-based rules and policies divert the system's attention away from matching employers to qualified, job-ready workers.

- Differing and complex federal laws and regulations for seven of the eight Board-administered programs result in program-specific rules and policies.
- Differing eligibility requirements and allowable activities for each funding source not only complicates co-enrollment, but also deters Boards and one-stop centers from integrating workforce services due to concerns about the potential for disallowed costs.

TWC Actions to Address Barrier

Comprehensive policy guides for ES, Trade, and TANF Choices were developed in July - September 2004. Guides for FSE&T and WIA are under final review and work on Project RIO and VETS guides will begin in February 2005. The guides are designed to support integration by making TWC's program rules easier to understand for one-stop center staff. TWC views these guides as an initial step in drafting integrated rules.

The alignment of similar program requirements supports the integration of caseworker functions. Many of the TANF Choices and FSE&T requirements are similar. TWC has proposed rules that will make FSE&T requirements parallel to TANF Choices.

Integrated rules take disparate and distinct programs and consolidate them into functionally unified rules that support the integration of workforce services and the associated caseworker functions. In August 2004, TWC made changes to its allocation and funding rules that consolidated workforce development grants according to a uniform program year, enhanced grant closeout procedures, facilitated a more effective use of the cash draw expenditure and reporting system, and accelerated the contracting process. These changes have created efficiencies in contract management, funds management, and expenditure reporting for TWC and the Boards.

In February, the Commission will consider a concept paper for an integrated appeals rule. Currently, differing appeals policies reside in each program rule. In some workforce areas, these differing policies create confusion among one-stop center staff thereby delaying the resolution of complaints, grievances, and appeals. The integrated appeals rule will present consolidated policy for addressing complaints and grievances about Board-administered workforce services, thereby simplifying processes and improving the responsiveness to customers' complaints.

Barrier Two: TWC's organizational structure reinforces program-based thinking, which continues program-based rules and policies.

- While TWC employs a functional rather than programmatic organizational design for a majority of its divisions and departments, Child Care Services remains a program-focused department with its own contract managers, technical assistance staff, and policy development staff.

TWC Actions to Address Barrier

The consolidation of Child Care Services occurred in November 2003 and furthers the integration of workforce services. Former child care services staff were transferred to functional departments, such as Policy, Program Development, and Contract Management.

The creation of the Policy and Development Branch integrates both workforce and unemployment insurance policy and program development functions. Staff developing policy concepts and briefs are no longer siloed by program expertise, but are obtaining expertise in multiple workforce programs, as well as unemployment insurance. The combination of these two functions within one branch ensures that policy is not developed in a vacuum, because program development staff provides a "reality check" to policy staff about policies under development that may inhibit integration.

The expansion of the Contract Management Department to include child care services provides a single point of contact for the Boards. Contract management and technical assistance functions are performed within an integrated team structure.

Barrier Three: The number of performance measures, the differing definitions and calculation methods, as well as program and process-oriented measures divert attention away from the goal of matching employers to qualified, job-ready workers.

- The attention required to achieve the multiple and differing performance measures easily causes the system to lose sight of its primary goal.
- Customer service becomes more about enrolling customers in activities and programs rather than providing customers the services they want, so employment goals are achieved.
- The three to four month delay in the availability of employment information causes difficulties for Board and center staff in determining the specific changes in service delivery models that actually have an impact on customers attaining and maintaining employment.

TWC Actions to Address Barrier

Proposed modifications to performance measures, which reduce the number of measures, provide consistency in definitions and calculation methodologies, and eliminate several process-oriented measures, will not only support the integration of workforce services, but also will create administrative efficiencies. TWC has proposed changes to the performance measures in its Legislative Appropriations Request for the 2006-2007 biennium.

The development of results-oriented performance measures, such as the number of job postings filled, entered employment and job retention rates, and wage gains, directs attention to the system's primary goal - matching employers to qualified, job-ready workers.

Barrier Four: Management information systems are extremely complex to use resulting in duplicative data entry and inefficiencies that affect customer service.

- The Workforce Information System of Texas (TWIST) became operational in 1997 and serves as the management information system for one-stop centers. By the fall of 1999, TWIST had been modified to ensure data collection for customers receiving Board-administered services under TANF Choices, WIA, and FSE&T. For some programs, the workforce system relies on information from other agencies' automated systems, especially for Choices and FSE&T. An interface between these other systems was developed for one-stop center staff, but adds to the complexity of TWIST. As the Boards assumed responsibility for additional programs, TWIST was further modified to meet the needs of the individual programs. Thus, the TWIST system has evolved over time built on individual program requirements, producing an extremely complex system. TWC believes that a comprehensive review of system requirements is necessary, but changes responding to federal requirements have taken precedence over a complete re-engineering of the system.
- Child Care Services maintains two separate automated systems: one customer information system and another budget and payment application. Because the customer information system is not incorporated into TWIST, one-stop center staff must conduct dual data entry for customers receiving both workforce and child care services. In reporting expenditures and processing payments for child care services, Boards must use the other child care automated system, which results in duplicative budget and expenditure reporting functions.

TWC Actions to Address Barrier:

The integration of child care services into TWC's cash draw expenditure and reporting system in September 2004 streamlined many administrative functions, allowing Boards to use the same web-based budget and expenditure system for the eight Board-administered workforce programs. This change has not only created efficiencies for both TWC and the Boards, but also has reduced the amount of time necessary to process payments to child care businesses.

The initiation of the Business Process Re-engineering (BPR) of TWIST will provide a comprehensive and in-depth review of the system and make recommendations to redesign the system to support integrated service delivery models. The BPR will also provide a review of the two child care systems to determine how the child care system functions can be consolidated into a re-engineered TWIST. A large part of this review will include an analysis of the current business rules within TWIST and the child care systems. This review will greatly assist policy staff in their efforts to find commonalities among the different workforce programs and continue to develop integrated, functional rules. Upon the completion of this review in 2006, TWC will know the timeframe and costs to re-engineer TWIST, and can include this information in its Legislative Appropriations Request for the 2008-2009 biennium.

The Integration Pilot Projects

The knowledge and experience gained from the pilot projects has been and will continue to be important as TWC works to address barriers and support the integration of workforce services and caseworker functions. In August 2003, TWC, in conjunction with the Boards, began the work of implementing Section 4.14 (a)(3) of SB 280. Since then, the Boards have continued to express the concerns they raised during the legislative process that a "one-size-fits-all" service delivery model is not feasible in a state as diverse as Texas. The contrasting needs of employers and job seekers across the 28 workforce areas require each Board to develop and implement service delivery models tailored to meet those needs. Therefore, the goal of the pilot project is to test three different integrated service delivery models.

TWC selected the Coastal Bend, Gulf Coast, and Texoma Workforce Development Boards to participate in the integration project because these three Boards had achieved varying degrees of success in integrating services and caseworker functions, offered dissimilar service delivery models to pilot, and represented a cross-section of Texas' population. TWC has worked closely with each of the Boards and the five pilot one-stop centers to identify additional barriers, brainstorm possible strategies for addressing barriers, and record the lessons learned throughout the pilot project. The pilots began in January 1, 2004 and will conclude December 31, 2005. The following is a summary of the pilot projects. For more information, please see Appendix A.

Pre-Pilot Service Delivery Models

The service delivery models employed in each of the five, pilot one-stop centers already included integrated intake and eligibility functions. Designated staff who are knowledgeable of the workforce programs and requirements perform the intake and eligibility functions. However, these functions occur at different stages in a customer's one-stop experience. In Coastal Bend, intake and eligibility functions occur toward the beginning of a customer's encounter with a one-stop center. Customers in Gulf Coast typically achieve their employment goals using the one-stop centers' self-serve career resources. Customers with stated obstacles to employment, however, may require one-on-one services, training, or other assistance in order to gain employment.

Therefore, intake and eligibility functions usually occur after a customer has indicated the need for more intensive or training services. In Texoma, customers needing intensive, one-on-one services or having barriers to employment go through the intake and eligibility process when assigned to a case manager, which occurs toward the middle of a customer's one-stop center experience.

Pilot Service Delivery Models

Each pilot service delivery model builds upon the one-stop center's existing model with specific local demands driving the design. For example, Coastal Bend is currently experiencing a shortage of skilled workers and the area is at risk of losing employers. Moreover, the area has a large number of individuals receiving public assistance (TANF and food stamps). In order to address the shortage of skilled workers, Coastal Bend is piloting an integrated service delivery model where career advancement planners receive training in workforce programs and requirements as well as career planning. The career advancement planners then contact former public assistance recipients, who have obtained employment, and offer career advancement planning and services. In addition, customers receiving public assistance are given information about the career advancement services and are encouraged to take advantage of those services once employed.

The approach in Gulf Coast builds on the Board's mission of helping the area's residents "get a job, keep a job, and get a better job." The Gulf Coast pilot model allows personal service representatives, who provide intensive, one-on-one services to customers with barriers to employment, to focus their attention on addressing customers' barriers to employment, not specific program requirements. The Gulf Coast pilot is working to achieve this goal through the inclusion of the Financial Aid Specialist (FAS) and the Tracker within the three pilot one-stop centers. The FAS serves customers who require financial assistance from workforce funding or other sources in order to achieve their employment goals. The FAS performs the eligibility functions and has in-depth knowledge of funding and program requirements for each of the Board-administered programs. The Tracker performs the data entry functions associated with customers receiving financial assistance, ensures that customers adhere to program requirements, and terminates services if customers fail to meet program requirements or are determined no longer eligible for assistance.

The current service delivery model in Texoma not only integrates the intake and eligibility functions, but also the caseworker functions. Customers needing individual services and/or training receive services through a single point of contact case manager. The pilot extends the integrated case manager's scope of work and knowledge to include child care services. Integrated case managers receive training about the child care program and its associated eligibility, funding and program requirements, and its automated system. If the pilot is successful, the Texoma one-stop center staff will provide a single point of contact for customers requiring intensive and training services.

Next Steps

During the second year of the pilot projects, the models will be expanded to additional one-stop centers within each area. The Boards will conduct a cost-benefit analysis of their integrated service delivery model, and the cost information will be included in operational guides for implementing each model. TWC will distribute these guides to the remaining 25 Boards.

Preliminary Findings

The TWC conducted a survey to assess the impact the integration pilots are having on customers receiving workforce services, as well as on the staff delivering the integrated services. The customer survey included questions from the existing WIA customer satisfaction survey, as well as new questions directly related to the integration of workforce services and the associated caseworker functions. In the first two quarters of 2004, during the initial phases of the pilots, telephone surveys were conducted with customers who received or continued to receive services in the pilot one-stop centers. The staff survey took place during the last quarter of 2004. Questions in this survey asked Board and one-stop center staff to assign a rating to the impact the integrated model has had on their ability to provide effective customer services.

- **Data from customer surveys indicate that the pilot one-stop centers are sufficiently integrated to provide a “single point of contact” for the majority of customers.**

When asked “how many different staff did you work with during your recent contact with the one-stop,” over half of the customers reported only meeting with one or two staff, and 73 percent of customers surveyed indicated meeting with three or fewer.

- **The depth of individual case manager knowledge can act as a gauge for one-stop center integration.**

When customers were asked how often case managers had to consult with other staff for program knowledge, 53 percent responded “never” and another 36 percent responded “some times.” This indicates that case managers in the pilot one-stops are sufficiently cross-trained to address the majority of customers' needs. In fact, 74 percent of the customers surveyed stated that they received the assistance necessary to accomplish their employment goals.

- **Overall customer satisfaction with the pilot one-stop centers was exceptional.**

On a scale of 1 to 10, with 10 being the highest, nearly half of the customers rated their overall satisfaction with the services received at a 9 or 10. Eighty-six percent of the surveyed customers said they would recommend the one-stop center to others.

- **Board and one-stop center management overwhelmingly agree that effective integration has the capacity to increase efficiencies while enhancing customer service.**

By eliminating duplicative job functions, one-stop center staff focus on meeting customers' needs and customers receive services that allow them to achieve their employment goals.

- **One-stop center staff believe that integrating workforce services improves customer service.**

As one caseworker replied, “I feel more assured that I’m providing customer satisfaction and helping each customer meet their needs whether here at the one-stop center or by providing referrals.” When asked whether integrated case management “allows you to provide better service to your customers,” staff from each of the five pilot one-stop centers ranked the integrated service delivery model at a 4 or 5, using a scale of 1 to 5. When asked if the effort required to become a proficient, integrated caseworker is worthwhile, one-stop center staff again answered with rankings of 4 and 5.

Waivers of Federal Requirements

The Commission has a reputation of challenging the status quo on several workforce programs, which has resulted in the Texas workforce system becoming a national leader in workforce reform. The Commission is committed to seeking waivers of federal requirements in order to achieve the greatest flexibility for the Boards so that they may be responsive to the changing economic conditions and emerging labor markets in their areas.

Since January 2003, TWC has received five waivers from federal WIA requirements that were limiting the Boards' ability to design and deliver integrated employer-driven services. The following provides a brief summary of the of the three waivers that have increased the system's ability to effectively match employers to qualified, job-ready workers:

- The elimination of the federal requirement for employers to provide a 50 percent match to receive on-the-job training funds. With the waiver, employers' match amount is based on a sliding fee scale, which allows more employers to provide on-the-job training to employees.
- The waiver of the 30 percent limitation on transferring WIA funds between Adult and Dislocated Worker funding has increased flexibility and employer collaboration in worker training efforts.
- The waiver that allows Boards to designate up to 10 percent of their WIA formula funds as "Local Activity Funds" has improved the Boards' ability to appropriately and quickly respond to employers, incumbent workers, job seekers, and youth.

In order to continue its efforts to address the obstacle that the number and complexity of performance measures have on integration, TWC is requesting another waiver of federal requirements. Specifically, the requirement that TWC is to contract each of the 17 WIA performance measures to the Boards. In this waiver request, TWC will continue to report to DOL the outcomes for each of the 17 WIA measures, but seeks the flexibility to determine the measures it will contract to the Boards. As stated earlier in the report, TWC believes that greater integration of workforce services can be achieved if one-stop center staff are able to focus on the goal of matching employers to qualified, job-ready workers. In seeking this waiver, TWC intends to contract only those WIA performance measures that are directly related to the system's primary goal.

The waiver request has been published for comment. TWC will respond to any comments received, make any appropriate changes, and submit the waiver request to DOL in February. If DOL approves the waiver quickly, TWC will be able to consolidate and reduce the number of measures contracted to the Boards at the beginning of the next WIA program year - July 1, 2005.

Opportunities and Challenges

While TWC is focused on the goal of an integrated workforce system, the federal agencies that have jurisdiction over seven of the eight Board-administered programs typically do not share that goal. However, integration is being discussed within and among federal agencies. Both the TANF and WIA reauthorization bills appear to offer Texas and TWC opportunities to further integrate workforce services in the one-stop centers.

Proposed TANF reauthorizing legislation increases the work activity requirements and focuses the types of activities that may be counted as work activities on employment, on-the-job training, and work experience. TWC recognizes that a program with a strong focus on employment leads to increased personal responsibility and greater strides toward self-sufficiency. The proposed TANF legislation also refocuses outcomes on employment rather than simply caseload reduction, which mirrors many of the performance measures in DOL programs. TWC supports aligning performance measures for TANF and WIA -- as well as other workforce programs -- and believes such measures would help to achieve greater levels of integration.

WIA reauthorizing legislation also proposes the consolidation of the adult employment and training services' funding into one large block grant. This consolidation would eliminate administrative duplication across similar programs and provide greater flexibility to the state and the Boards in serving employers and job seekers.

With opportunities, however, come challenges. Reauthorization of TANF, CCDF, and WIA will undoubtedly bring changes to federal reporting requirements. By all accounts, it does not appear that the reporting requirements will decrease. In fact, under the TANF proposal, more recipients of public assistance will have work requirements that they must fulfill to maintain eligibility for benefits. In addition, changes to HHSC's automated system, Texas Integrated Eligibility Redesign System (TIERS), will be necessary, as will interface changes in TWIST.

It is also important to note that DOL is proposing a new reporting system, the Employment and Training Administration's Management Information Longitudinal Evaluation (EMILE) Reporting System. While the proposed system is being touted as a system designed to improve integration through standardizing functions, such as standard quarterly reports and standard performance measure definitions, TWC nevertheless has expressed serious concerns to DOL that the proposed system does not support integration. Instead of consolidating the data elements, the EMILE structure of gathering employer and job seeker information includes numerous program-specific data elements that continue to promote funding silos rather than a truly integrated system. DOL's implementation of EMILE is scheduled for 2006, when the integration pilot projects end and the recommendations from the Business Process Re-engineering of TWIST are presented to the Commission.

Recommendation

While TWC has developed and implemented several modifications to its policies, rules, and organizational structure to support integration, and continues process improvements to further the integration of workforce services, the impact of the proposed federal changes is unknown. Moreover, the second year of the integration pilots has just begun and the cost-benefit analysis for each model needs to be developed, as well as the operational guides for implementing the pilot models.

TWC believes that the mandate in Section 4.13 of SB 280 is unfeasible when considering the breadth of workforce services provided across such a large and diverse state. The comprehensive review of TWIST, which will lead to the re-engineering of TWIST and better support integrated caseworker functions, will not be completed until 2006. The implementation of EMILE and reauthorization of TANF, CCDF, and WIA will necessitate further changes to TWIST in 2006.

At that time, TWC can include any funding needed to re-engineer TWIST in its capital budget request in the 2008-2009 Legislative Appropriations Request. Also, during this time, the pilot Boards will complete the expansion of their integrated service delivery models to their one-stop centers. The remaining 25 Boards will begin implementing their integrated service delivery models, so that the more than 280 one-stop centers and satellite offices can offer the appropriate level of integrated workforce services to their employers and job seekers.

Therefore, TWC respectfully requests changing the September 1, 2007 deadline in Section 4.13 of SB 280 to September 1, 2009 in order to complete the integration of workforce services in an effective and efficient manner.

Appendix A

Pilot Project Site Selection, Objectives, and Designs

Pilot Site Selection

In determining the workforce areas in which to pilot the integration of caseworker functions, TWC requested that Boards interested in conducting an integration pilot submit proposals. The proposals included a description of current service delivery models, experience and success in integrating workforce services, and a description of the proposed service delivery model to pilot.

More than half the Boards submitted proposals, and after reviewing the proposals, TWC conducted site visits to seven Boards. These Boards presented different service delivery models, varying experience and success with integration, and unique pilot service delivery models in their proposals. TWC selected the Coastal Bend, Gulf Coast, and the Texoma Workforce Development Boards to participate in the pilot project because these three Boards had:

- Achieved varying degrees of success in integrating services and caseworker functions;
- Offered dissimilar service delivery models to pilot;
- Represented a cross-section of Texas' population; and,
- Developed distinct approaches to allocating resources to best meet the needs of employers and job seekers.

Pilot Objectives

The Sunset Advisory Commission's report to the 78th Legislature regarding TWC noted a lack of integration of workforce services, resulting in duplication and inefficiencies that made effective service delivery to customers difficult to achieve. TWC's pilot project seeks to develop and implement three distinct integrated service delivery models to achieve the following objectives:

- Decrease duplicative work among one-stop center staff;
- Streamline processes and increase efficiencies in delivering workforce services;
- Allow one-stop center staff to focus their attention and efforts on matching employers to qualified, job-ready workers; and
- Provide a single caseworker to customers needing individual, intensive services to achieve their employment and training goals.

To assess the pilot project's success in achieving the stated objectives, TWC developed a survey asking both customers and one-stop center staff to rate their satisfaction with the integrated services. Additionally, TWC, in the second year of the pilots, will assess the impact of the pilot models on one-stop center staff's ability to fill employers' job postings and assist customers in achieving and maintaining employment. TWC, with the assistance of each of the pilot Board's leadership, will also, in the second year, conduct a cost-benefit analysis to determine the cost and any cost savings of the integrated models.

Pilot Design, Coastal Bend

Local Environment

The Coastal Bend workforce development area consists of both rural and urban communities, diverse ethnic populations resulting from their proximity to the Texas/Mexico border, and an active seaport in Corpus Christi offering opportunities in the petrochemical, shipping, commercial fishing, and tourism industries. However, the area suffers from a lack of qualified and job-ready workers to meet the demands of employers and target industries. Coastal Bend recognizes the need to develop an educated and skilled workforce to attract and retain employers. Because the Staples one-stop center in Corpus Christi serves such a high volume of customers, especially customers participating in TANF Choices, who are seeking skills to become job-ready, Coastal Bend decided to implement its integrated service delivery model at the Staples one-stop center.

Integration Barriers

Coastal Bend Board and Staples one-stop center staff assert that the differing funding requirements for the eight workforce programs as their primary barrier to integration. They cite limited success in creating a cost allocation methodology, which makes integrating services labor-intensive for Board and one-stop center staff. Incongruent funding periods and restrictive funding requirements cause confusion among Board and one-stop center staff complicating integration and making integrated financial planning and budgeting difficult. In addition, concern about the potential de-obligation of funds due to low expenditures causes Board and one-stop center staff to separate services and the associated functions. Even with these barriers, Coastal Bend staff believe that integrating services is feasible. However, the Staples one-stop center director disagrees stating that the differences in program regulations and allowable costs and activities prevent the full integration of workforce services and caseworker functions.

Pre-Pilot Service Delivery Model

The Staples one-stop center has successfully integrated the basic screening and eligibility determination functions for workforce services, which reduce the amount of duplicative work among staff. When a customer enters the one-stop center, integrated intake personnel greet the customer, and based on the customer's stated needs, the integrated intake staff direct the customer to the one-stop center's self-service, resource room or to an integrated WIA and Child Care eligibility specialist.¹ Once eligibility has been determined, the customer is assigned to a caseworker. If the customer needs both WIA and Child Care services, the customer receives co-case management services.

Pilot Model

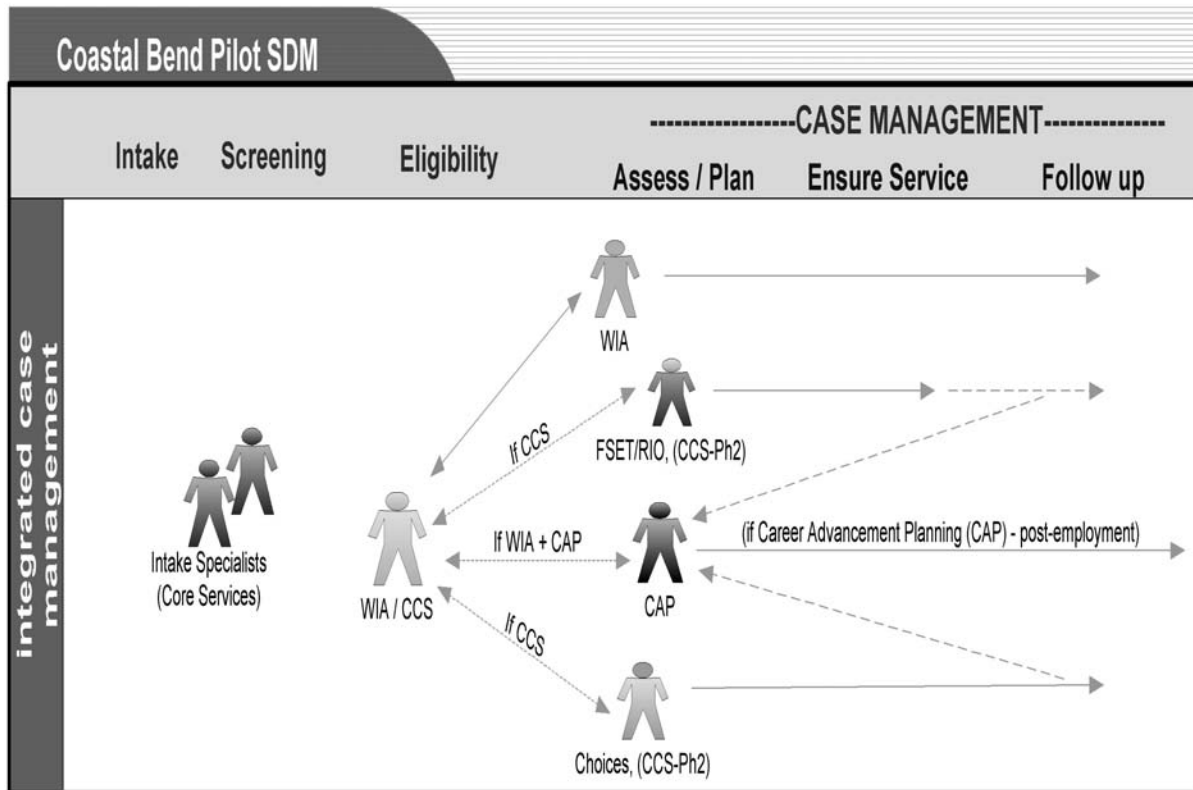
The Coastal Bend pilot builds on the existing service delivery model with its integrated intake and eligibility staff creating a new model designed to better assist customers, who have received or are receiving TANF Choices, FSE&T, or RIO services, in obtaining the necessary skill sets to meet employers' needs and achieve self-sufficiency. To implement the new model, the Career Advancement Planner (CAP) job position was created. Each CAP receives training about workforce programs and services as well as career planning.

CAPs recruit customers to participate in the pilot project and receive career advancement services. CAP presentations to customers attending TANF Choices and FSE&T orientations

¹ For a customer with a referral from Texas Health and Human Services (HHSC) for TANF Choices and/or FSE&T services, the integrated intake personnel directs the customer to either a Choices or FSE&T caseworker.

allow customers to learn about the pilot project and decide if they want to participate. CAPs also recruit customers no longer receiving TANF Choices, FSE&T, or RIO services. By reviewing former customers' Individual Employment Plans, the CAP learns the former customer's employment goals, and can contact the customer and discuss career goals and describe the career advancement services available through the pilot project.

The CAP provides career counseling within the context of the local labor market's current and emerging demands. Pilot participants receive skills assessments for these occupations, and appropriate training to achieve their career advancement goals. Most importantly, the CAP works with employers to ensure that pilot participants are job-ready when hired.



Phase 2, Pilot Model

During the second year of the pilot, Coastal Bend plans to:

- Streamline processes in its pilot model;
- Expand the pilot model with its career advancement services to all one-stop center customers;
- Complete a cost-benefit analysis of the pilot; and
- Develop an operational guide for implementing the pilot model.

Pilot Design, Gulf Coast

Local Environment

The Gulf Coast workforce development area has the largest population of all the workforce areas in the state, largely due to the inclusion of Houston, the fourth largest city in the U.S. The area contains both urban and rural communities with diverse demographics and ethnic populations, financial and commercial districts, scientific and technological centers, medical and research centers, major seaports, farm and ranch land, and tourist attractions. In many ways, the Gulf Coast area is a microcosm of Texas with all of Texas' opportunities and challenges. The Gulf Coast Board and its staff develop and implement standardized service delivery and financial assistance processes in order to minimize duplicative work and maximize resources. Gulf Coast's approach to service delivery emphasizes serving all residents with immediate access to information and employment assistance before subjecting them to intake and eligibility processes.

Integration Barriers

While Gulf Coast Board staff echo some of Coastal Bend's issues about cost allocation methods, Gulf Coast Board staff assert that the problems surrounding their cost allocation concerns have more to do with training one-stop center operators how to effectively administer cost allocation methods than with an inability to develop an effective method. For Gulf Coast, performance measures are one of the major barriers to integration. Gulf Coast contends that the large number of performance measures, the differing definitions and calculation methods, and the large number of process-oriented measures make it difficult to integrate workforce services because the siloed measures reinforce one-stop operators' practices of programmatic-focused service delivery.

Just as process-oriented performance measures focus more on participation in activities rather than employment results, Gulf Coast also believes that the complexity of TWIST reinforces this focus and results in one-stop center staff enrolling customers in programs rather than on meeting the stated employment goals of customers.

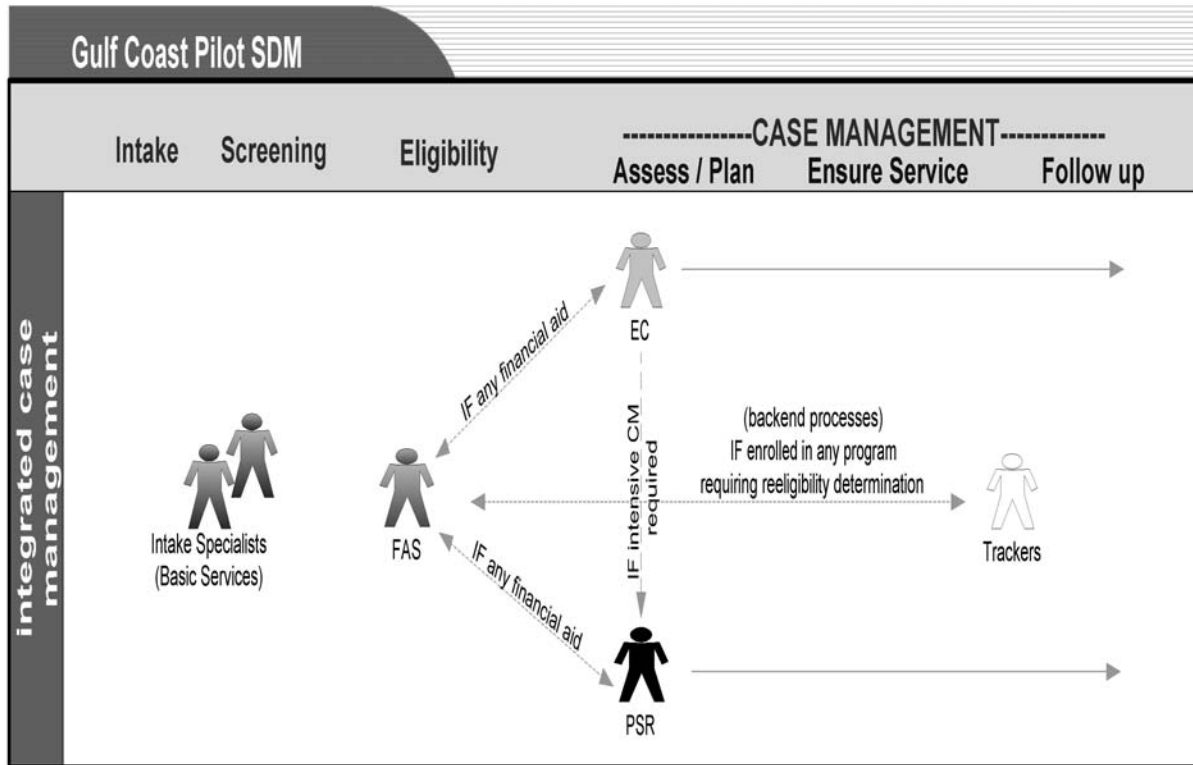
Pre-Pilot Service Delivery Model

Gulf Coast's service delivery model is based on three different levels of service - basic, expanded, and financial aid services. One-stop center staff deliver services according to customers' stated wants and needs. Employment Counselors (EC) and Personal Service Representatives (PSR) provide workforce services within the one-stop centers. When a customer enters a one-stop center, an Employment Counselor greets the customer and listens to the customer's stated needs. If the customer only requests basic services, such as job search assistance, basic skills assessments, and labor market information, the EC works with the customer until the customer's stated needs are met. If, during the delivery of basic services, the customer expresses difficulties in finding employment or the EC discovers significant obstacles to employment, the EC refers the customer to a PSR for expanded, individual services. The PSR maintains in-depth knowledge of workforce program requirements as well as skills in using TWIST. In this model, the PSR is the customer's point of contact. Gulf Coast has successfully integrated the majority of its workforce services with this service delivery model.

Pilot Model

The Gulf Coast pilot adds two new functional jobs to its service delivery model, the Financial Aid Specialist (FAS) and the Tracker. Both the FAS and the Tracker allow one-stop center staff to focus on serving customers rather than on funding requirements, performance measures, and complicated data entry and reporting requirements.

The FAS serves customers who require the financial assistance of workforce funding or other financial aid in order to achieve their employment goals. Both the EC and the PSR will direct customers requesting financial assistance for transportation, child care services, and/or training to the FAS, who determines whether the customer is eligible for financial aid. The Tracker works with the FAS to ensure the ongoing eligibility of customers receiving financial aid. These two positions allow one-stop center staff - both the EC and PSR - to focus their efforts on addressing customers' needs. The addition of the FAS and Tracker lowers the risks of erroneous financial aid distributions, disallowed costs, and the potential for fraud.



Phase 2, Pilot Model

In the second year of its integration pilot, Gulf Coast plans to:

- Assess the impact of having one-stop center contracts focus on business function deliverables and goals rather than on programmatic, performance measures;
- Expand the pilot model to other one-stop centers;
- Complete a cost-benefit analysis of the pilot model; and
- Develop an operational guide for implementing the pilot model.

Pilot Design, Texoma

Local Environment

The Texoma workforce development area is one of the smaller areas in Texas. Texoma staff deal with the same challenges as other small, rural Boards--small budgets and smaller numbers of customers. Unlike the Coastal Bend and Gulf Coast one-stop centers that serve a high volume of TANF Choices, FSE&T, and RIO customers, the Texoma one-stop center's customers are more evenly distributed across workforce programs. However, limited resources drive the Texoma Board and one-stop center operator to develop and implement a service delivery model that maximizes resources. As a result, Texoma offers an integrated service delivery model to its customers. Board and one-stop center leadership are committed to achieving a fully integrated workforce system. Staff are reminded of their leadership's commitment to integration as improvements to the integrated service delivery model continue.

Barriers to Integration

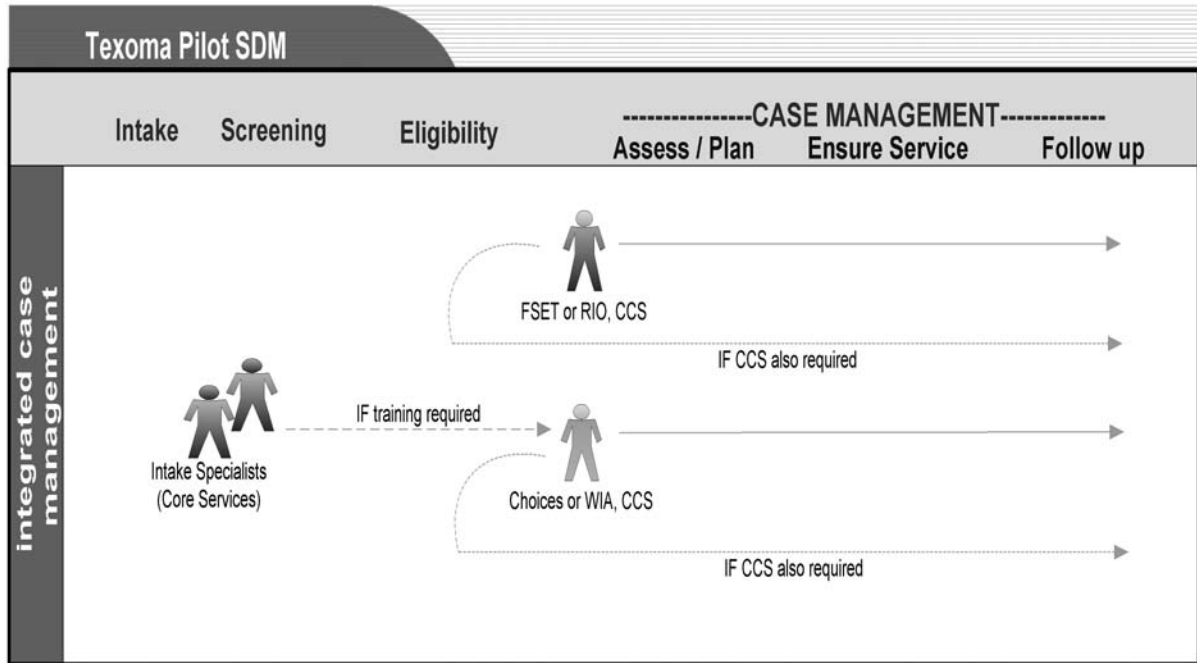
Texoma Board and one-stop center staff agree with Gulf Coast that performance measures should support, not discourage, integration, and that common definitions, calculation methods, eligibility, and program requirements would assist in integrating workforce services. However, Texoma asserts that the complexity of TWIST as well as the additional child care automation system makes the integration of caseworker functions a constant struggle. In fact, Texoma believes that until TWC develops one centralized management information system, the Board will not fully realize the efficiencies and cost savings of its integrated service delivery model, because one-stop center staff continue to perform duplicative data entry functions and require training to use both systems. In addition, one-stop center staff express concern about their potential for making mistakes that may result in a disallowed cost finding.

Pre-Pilot Service Delivery Model

Similar to Gulf Coast, Texoma's integrated service delivery model consists of three service levels: core services, such as job search and skills assessment; intensive services, such as case management, career planning, in-depth assessments, and support services; and, training services that lead to a credential or license or the attainment of new knowledge, skills and abilities for the purpose of career advancement. When a customer enters the one-stop center, a member of the initial contact team greets the customer and explains the core services available in the self-service resource room as well as basic skills assessments. If the customer cannot find employment after taking advantage of the core services, the initial contact team member directs the customer to an integrated case manager for intensive and/or training services. The integrated case manager has in-depth knowledge of the majority of workforce programs, including the associated funding, program, and reporting requirements. The integrated case manager remains the customer's primary contact until the customer no longer receives services.

Pilot Model

The Texoma pilot extends the integrated case manager's scope of work and knowledge to include child care services. Integrated case managers receive training about the child care program and its associated eligibility, funding, and program requirements. The integrated staff also receive training on how to use the child care program's automation system. If the pilot is successful, the Texoma one-stop center staff will provide a single point of contact to all customers requiring intensive and training services.



Phase 2, Pilot Model

Due to the emphasis on integration and maximizing resources, Texoma has diligently recorded the costs of implementing its integrated case management model as well as any resulting cost savings. Texoma estimates that its Pre-Pilot Model has resulted in an annual cost savings of \$120,421. During the second year of the pilot, Texoma plans to:

- Ensure integrated case managers achieve proficiency in their knowledge of child care services and its customer information system;
- Complete a cost-benefit analysis of the pilot model (preliminary estimates indicate a cost of \$39,000 to integrate child care functions in Texoma's one-stop center);
- Streamline administrative and operational processes; and
- Develop an operational guide to implementing the pilot model.

