



FEB 15 2012

The Honorable Rick Perry
Governor of Texas
Austin, Texas 78711

Dear Governor Perry:

We are pleased to be able to respond to your request for a waiver of statutory and regulatory requirements under the Workforce Investment Act (WIA) submitted on January 4, 2012. This request is written in the format identified in WIA Section 189(i)(4)(B) and 20 CFR 661.420(c), and met the standard for approval at 20 CFR 661.420(e). The following is the disposition of the State's submission (copy enclosed). This action is taken under the Secretary's authority to waive certain requirements of WIA Title I, Subtitles B and E, and Sections 8-10 of the Wagner-Peyser Act.

Requested Waiver:

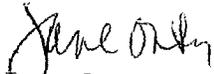
Waiver of WIA Section 134(a)(2)(B)(iii) and 20 CFR 665.200(e) to exempt a state from the requirement to provide local workforce investment area incentive grants.

The State is requesting a waiver of the requirement to provide local workforce investment areas incentive grants to reward regional cooperation, local coordination of activities, and exemplary performance. The State is granted this waiver effective July 1, 2011 through June 30, 2012. This waiver only applies to Program Year 2011 WIA funds.

The approved waiver is incorporated by reference into the State's WIA Grant Agreement, as provided for under paragraph 3 of the executed Agreement, and it constitutes a modification of the State Plan. A copy of this letter should be filed with the State's WIA Grant Agreement and the approved State Plan. In addition, as described by TEGL No. 09-10, the State should address the impact its waivers have had on the State's performance in the WIA annual performance report, due on October 1 of each year.

We look forward to continuing our partnership with you and achieving better workforce outcomes. If you have any questions related to the issues discussed above, please contact Kajuana Donahue, the Federal Project Officer for Region IV, at (972) 850-4613 or Donahue.Kajuana@dol.gov.

Sincerely,



Jane Oates
Assistant Secretary

Enclosure

Texas Workforce Commission

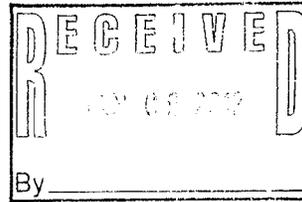
A Member of Texas Workforce Solutions

Tom Pauken, Chairman

Ronald G. Congleton
Commissioner Representing
Labor

Andres Alcantar
Commissioner Representing
the Public

Larry E. Temple
Executive Director



January 4, 2012

Mr. Joseph C. Juarez
Regional Administrator, Region IV
U.S. Department of Labor
Employment and Training Administration
A. Maceo Smith Federal Building
525 Griffin Street, Room 317
Dallas, Texas 75202

Dear Mr. *Juarez*:

On behalf of the Texas Workforce Commission (TWC), the state operational entity for the Title I Workforce Investment Act (WIA), I respectfully request approval of the enclosed waiver request for the State of Texas. The requested waiver was developed in accordance with WIA §134(a)(2)(B)(iii) and 20 CFR 665.200(e).

TWC is requesting a waiver of the requirements of WIA §134(a)(2)(B)(iii) and 20 CFR 665.200(e) relating to the provision of incentive grants to local workforce development areas (workforce areas).

In Program Year 2011, Congress decreased the amount of funding for statewide activities from 15 percent to five percent. This reduction restricts Texas's ability to effectively fund and carry out all required statewide WIA activities. The current funding level in the governor's reserve is insufficient to cover the cost of incentive grants to workforce areas.

We appreciate the opportunity to submit this waiver request and look forward to receiving the Secretary's approval.

If you have questions or require additional information, please contact Reagan Miller, Deputy Division Director, Workforce Policy and Service Delivery Branch, at (512) 936-3563.

Sincerely,

Larry E. Temple
Executive Director

Enclosure

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**STATE OF TEXAS
WORKFORCE INVESTMENT ACT
INCENTIVE GRANTS WAIVER REQUEST**

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BACKGROUND

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In Program Year 2011 (PY'11), Congress decreased the amount of funding for statewide activities by 10 percent—from 15 percent to five percent. The Texas Workforce Commission (TWC) and Local Workforce Development Boards (Boards) work together to be good stewards of public funds and ensure they are expended as intended.

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PROVISIONS TO BE WAIVED

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WIA §134(a)(2)(B)(iii) and 20 CFR §665.200(e) requiring provision of incentive grants to local workforce development areas (workforce areas).

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ACTIONS UNDERTAKEN TO REMOVE STATE OR LOCAL BARRIERS

There are no state or local barriers.

GOALS AND EXPECTED PROGRAMMATIC OUTCOMES OF WAIVER

The reduction to five percent in the WIA allotment for PY'11 governor's reserve funds restricts the state's ability to effectively fund and carry out all of the required statewide workforce investment activities. The current funding level in the governor's reserve is insufficient to cover the cost of incentive grants to workforce areas. The state's reduced funds are being used to cover the following required activities:

- Carrying out statewide rapid response activities
- Disseminating TWC's list of eligible providers of training services
- Conducting evaluations
- Providing technical assistance to workforce areas
- Assisting in the establishment and operation of the one-stop delivery system
- Operating fiscal and management accountability information systems

TWC's goal in seeking this waiver is to ensure that the state can prioritize the use of governor's reserve funds for the required activities deemed most essential to the basic functions of the workforce investment system.

INDIVIDUALS IMPACTED BY THE WAIVER

The waiver will provide TWC with more flexibility in directing governor's reserve funds to those activities that best preserve basic functions of the statewide workforce investment system.

PROCESS FOR MONITORING PROGRESS IN IMPLEMENTATION

TWC will monitor progress and ensure accountability for federal funds in connection with these waivers by reviewing monthly expenditure, performance, and other reports through regular contact with the U.S. Department of Labor Employment and Training

1 Administration's regional office liaisons, and through TWC's monitoring and
2 performance accountability system.

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4 **NOTICE TO AFFECTED LOCAL WORKFORCE DEVELOPMENT BOARDS**

5 The waiver request was discussed during the December 9, 2011, conference call with the
6 Boards.

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8 **PUBLIC COMMENT**

9 The waiver request was presented at TWC's December 6, 2011, public meeting and
10 posted to the TWC Website for review and comment. No comments were received.