

**Testimony of
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**Subcommittee on Higher Education and Workforce Training
Committee on Education and The Workforce
United States House of Representatives**

May 11, 2011

Thank you Chairwoman Foxx, Ranking Member Hinojosa and distinguished members of the subcommittee for allowing me to submit this written testimony. I am honored to testify before the subcommittee today.

Let me give you a little background on how the Texas Workforce Commission and our service delivery model works in Texas. The Texas Legislature, in 1995, enacted comprehensive workforce and welfare reforms that envisioned a workforce system that was locally controlled – like local school boards – to respond to local needs. The law established a new agency, the Texas Workforce Commission (TWC), merging 28 workforce development programs from 10 agencies. TWC was charged with creating an integrated service delivery system under the control of local workforce boards that plan, oversee, and evaluate workforce education and training services for their area of the state.

The integrated service delivery system in place includes 28 local workforce boards and 240 one-stop centers covering 254

counties. The 28 Boards build strong bonds between business, education, and job training resulting in a strengthened economy to benefit everyone. The Boards partner with community colleges, community based organizations, economic development and education providers, as well as the local chambers of commerce. Local flexibility with state oversight is the Texas model, and it continues to serve Texans best.

Texas continues to offer exceptional services throughout the state given limited financial resources. With unemployment at an all-time high, we have served more customers (both job seekers and employers) with less funding than in years past. Texas has a demand driven system. We prioritize and coordinate training dollars to what employers tell us their needs are (both present and future). We have identified six industry clusters that represent the most return for our investment. The six industry clusters include, advanced technologies and manufacturing, aerospace and defense, biotechnology and life sciences,

information and computer technology, petroleum refining and chemical products, and energy. At the state level through the use of Workforce Investment Act (WIA) state set aside funds, we provide funding for the development of training curriculum for wind, solar and nuclear energy as well as biotech and advanced manufacturing. We also support STEM Academies for middle and high school students with these funds.

Another very innovative and important initiative we fund with these dollars is our Texas Veterans Leadership Program. This statewide initiative provides peer to peer employment services to our warriors returning from Iraq and Afghanistan. These young men and women are outreached by someone that truly understands their challenges because they too have been there. These are but a few of the innovative initiatives being created by states utilizing these funds. Initiatives that truly prove that states are the nation's labs of innovation.

However, through the Continuing Appropriations Act of 2011, Washington has again decided what is best for states. As you know, the Continuing Appropriations Act made cuts to WIA, but most significant were cuts to the WIA Statewide Activity Fund. I believe an unintended consequence of the CR was that it took funding from states instead of creating budget savings. In fact, surprisingly, it created another level of bureaucracy at the federal level by creating a \$125 million discretionary “Workforce Innovation Fund” for the Secretary of Labor and all at the cost of services provided to job seekers and employers by states. In addition, the President’s 2012 budget proposal includes a provision to not only continue this discretionary fund, but to increase it to \$300 million for a total of \$425 million in new discretionary funding at the federal level. Now states will have to once again do the “mother may I” routine with Washington to obtain funding for their own ideas that heretofore were funded at the state level.

We understand at the state level that cuts are necessary and Texas is willing to do our part, but we also need the federal government to meet us in the middle. To mitigate the funding cuts and maximize services, we ask that states be given the greatest amount of flexibility in the use of federal dollars.

Diverting dollars away from states and creating another level of federal bureaucracy such as the Workforce Innovation Fund is not our idea of flexibility.

Right now, we have a great opportunity before us to make sweeping changes to the system, not only within the area of providing states flexibility but also in the manner with which states and the federal government interact. For example, the GAO's report highlighted Florida, Utah, and Texas as the best practices of an integrated service model to serve customers at one stops. What makes our model stand out is not only the integration of services, but also that our customers have one place to go for

assistance, instead of a disjointed system that is difficult to navigate.

Such is not the case for states at the federal level. Instead, Texas' 5 big programs – *Temporary Assistance for Needy Families, Wagner-Peyser Employment Services, Supplemental Nutrition Assistance Program, Workforce Investment Act, and Child Care and Development Funds* – are administered by different federal agencies with each requiring separate state plans, annual reports, monitoring, audits and reporting. The duplication and overlap of all this paperwork costs taxpayers millions of dollars every year. These are dollars that could be much better spent providing employment and training to those in need of these services. I have with me today examples of the different federal reports required for each one of these programs which as you can see, is quite a handful. For example, the WIA state plan is over 150 pages, but collectively we are producing almost 700 pages of state plans for the above mentioned

programs. Finally, this multiple agency maze likely serves the same population.

Let me share with you an example that I often use in describing the larger point at hand. I call it the ATM example. For example, when I landed last night I needed cash for the taxi. From a customer's perspective, I don't know what all happens behind the scenes to get my money from the Cattlemen's Bank in Dripping Springs, Texas to this ATM in the DC airport. When we have a customer come into our one-stop they do not need to, nor do they have to know what happens behind the scenes for us to serve them. We are looking for this same efficiency and flexibility from the federal government. And by the way, my taxi ride is really a series of rides because I have to go to three different federal agencies and four different office locations. Not exactly a one-stop experience for states.

As I stated before, in 1995, we moved all state workforce programs under the jurisdiction of TWC. We were able to co-locate these federal programs dealing with workforce, but because of federal regulations, consolidation was limited. In the short term, consolidating federal workforce programs might not be possible. However, an alternative we would like to see is a waiver process where states can deal with just one federal agency that has authority over workforce programs. This would allow states to be more efficient and more productive which is even more important in light of budget cuts.

My final point is that we need to move to an outcome driven system rather than a process driven system. We need to look closely at what works and what does not. We understand accountability and we understand that while the process is important – from the customer’s perspective, what is achieved at the end of the day is what constitutes the measure of your work.

Far too often these federal programs are measured by the process, not the outcome.

As a result of our consolidation, this successful model has allowed Texas to serve more people with less money and is far more convenient for our customers, both job seekers and employers. We welcome your interest in making the system more customer-friendly and stand ready to assist you in any manner you deem necessary. Thank you for allowing me the opportunity to submit this testimony. We welcome you to come to Texas to see first-hand our model as well as tour our one-stops.