

TEXAS WORKFORCE COMMISSION LETTER

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Effective:	Immediately

To: Local Workforce Development Board Executive Directors
Commission Executive Offices
Integrated Service Area Managers



From: Laurence M. Jones, Director, Workforce Development Division

Subject: **Definitions of One-Stop Operator and Administrative Entity**

PURPOSE:

To provide Local Workforce Development Boards (Boards) with:

- the definition of a one-stop operator under the Workforce Investment Act (WIA);
- the definition of an administrative entity under Texas Government Code §2308.253(g)(1); and
- information on classification of costs and compliance with WD Letters 25-08 and 26-08.

BACKGROUND:

WIA regulations at 20 C.F.R. §662.400 define the role of the one-stop operator, which can range from coordinating service providers within a Texas Workforce Center, to being the primary provider of services within a Texas Workforce Center, to coordinating activities throughout the local workforce development area (workforce area).

Under WIA regulations at 20 C.F.R. §§662.410–662.430, each Board and its Chief Elected Officials (CEOs) designate the entity or entities that will serve as the one-stop operator. The designation of a one-stop operator is important because it establishes the structure under which workforce services will be strategically developed and delivered within each workforce area.

Under Texas Government Code §2308.253(g)(1), CEOs are required to enter into a partnership agreement with the Board to designate, among other things, the administrative entity for the workforce area.

As the formation of Boards began in the late 1990s, the Texas Workforce Commission (Commission) issued WD Letter 51-97 on August 18, 1997, entitled “Technical Assistance on Local Workforce Board Governance Structure,” which provided information on the definition of administrative entity:

Administrative Entity – the entity designated to administer a local workforce plan. The administrative entity is generally responsible for the allocation of funds, performance measured against meeting the objectives of the programs [oversight of performance standards consistent with statewide goals and objectives], programmatic decision making, program compliance, ensuring workforce funds are spent in accordance with applicable law, and operation/management of career development centers. The administrative entity may be the local workforce board, a unit of general local government in the local workforce development area, or an agency thereof, a nonprofit organization or corporation, or any other agreed upon entity.

Note that while a local workforce board may be designated as an administrative entity, it is prohibited from directly providing workforce training and services, unless a waiver is obtained. It is also possible to designate an entity, other than the Board, as the administrative entity. The designated administrative entity must competitively procure a provider(s) for all workforce and training services.

The WIA definition of one-stop operator and the state definition of administrative entity are substantially similar—both the one-stop operator and the administrative entity provide coordination services throughout the workforce area. Thus, the entity designated as the administrative entity is considered to be the one-stop operator for the workforce area.

PROCEDURES:

Boards must be aware that an administrative entity must be designated by the Board and the CEOs.

NLF

Boards and CEOs have the option of selecting the entity to be designated as the administrative entity (e.g., a Board may select a local council of government).

LF

Boards must be aware of the following:

NLF

The administrative entity previously designated by the Board in its partnership agreement with the CEOs, pursuant to Texas Government Code §2308.253(g)(1), is considered to be the workforce area’s one-stop operator.

NLF

The administrative entity serves in a coordination capacity, which includes responsibility for the following:

NLF

- Strategic planning and oversight of the delivery of workforce services;
- Establishment of local policies to oversee the delivery of workforce services;
- Development and writing of the local Board plan for the workforce area;
- Allocation of resources within the workforce area;
- Development of local workforce contractor goals, objectives, and performance standards for adoption by Board members, consistent with statewide goals and objectives;
- Strategic evaluation to assess the value of workforce development services and to ensure effective outcomes consistent with statewide goals and objectives;
- Establishment of strategic locations for Texas Workforce Centers to ensure customer access to workforce services;
- Coordination of strategic business service needs to ensure businesses' skills needs are identified, and to ensure the direction of services within the workforce area meets businesses' needs;
- Establishment of a point of contact for employers to communicate their skills needs;
- Promotion of flexibility within the Texas workforce system, including the education system, to meet the needs of local businesses; and
- Promotion of cooperation and coordination among public organizations, community organizations, charitable organizations, religious organizations, and private businesses that provide workforce services.

Because the administrative entity is considered the one-stop operator for the workforce area, the role of the one-stop operator does not include the direct provision of services.

Classification of Costs and Compliance with WD Letters 25-08 and 26-08

Boards must be aware of the following:

NLF

The designated administrative entity is subject to the cost classification procedures in WD Letters 25-08 and 26-08, including administrative cost limits that apply to the use of funds.

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Costs incurred under contracts, subawards, or other agreements whose intended purpose is administrative must be reported to the appropriate administrative cost category.

NLF

Boards must report the costs of contracts, subawards, or other agreements that are for identifiable program services (e.g., Texas Workforce Center operations, youth services, etc.) in the proper programmatic cost categories, including, where appropriate, *709 Subrecipient Operating Costs (Non-One-Stop Operator)*.

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An administrative entity is subject to administrative cost limitations, whether or not the previous designation of the administrative entity in the Board's partnership agreement includes a complete list of the responsibilities of the

NLF

administrative entity. However, to be consistent with the provisions in 20 C.F.R. §667.220 and Texas Government Code §2308.253(g)(1), the partnership agreement entered into under Texas Government Code §2308.253(g)(1) must identify the administrative entity responsible for carrying out the coordination functions set forth in this WD Letter.

Boards with existing partnership agreements that identify the administrative entity as required under Texas Government Code §2308.253(g)(1) are considered to have designated that entity as the workforce area's one-stop operator under WIA regulations at 20 C.F.R. §§662.410–662.430. Therefore, Boards designated as the administrative entity are entitled to immediately use this existing designation to comply with the provisions of WD Letter 25-08, issued July 16, 2008, and entitled “Cash Draw and Expenditure Reporting System Instructions for Allocations to Local Workforce Development Boards”—in particular, to comply with the requirement that Boards implement the new requirements for cumulative expenditures reported effective June 30, 2009. The designation also applies with regard to compliance with WD Letter 26-08, issued November 5, 2008, and entitled “Cash Draw and Expenditure Reporting System Instructions for Non-Allocated Funds to Local Workforce Development Boards and Other Texas Workforce Commission Grantees.”

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Boards with existing partnership agreements that identify the entity providing coordination services—but that do not specifically state that the entity is designated as the administrative entity—must revise their partnership agreements to clarify this. For purposes of complying with the provisions of WD Letters 25-08 and 26-08, the Commission will consider the entity whose role is described as the administrative entity (i.e., providing coordination services), to be the administrative entity. Boards must amend their partnership agreements by July 1, 2009, to clearly identify the administrative entity.

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A collection of questions and answers relating to these definitions and the financial reporting requirements in WD Letters 25-08 and 26-08 is available on the Texas Workforce Commission's Intranet at: http://intra.twc.state.tx.us/intranet/fin/html/rptg_grantees.html, and will be updated as necessary. [*Note: The Intranet site is not available to the general public.*]

INQUIRIES:

Direct inquiries regarding this WD Letter to wfpolicy.clarifications@twc.state.tx.us.

REFERENCE:

Workforce Investment Act §§662.400, 662.410, 662.420, 662.430, and 667.220
Texas Government Code §2308.253(g)(1)
WD Letter 51-97, issued August 18, 1997, and entitled “Technical Assistance on Local Workforce Board Governance Structure”

WD Letter 51-97, Change 1, issued September 19, 1997, and entitled “Technical Assistance on Local Workforce Board Governance Structure”

WD Letter 25-08, issued July 16, 2008, and entitled “Cash Draw and Expenditure Reporting System Instructions for Allocations to Local Workforce Development Boards”

WD Letter 26-08, issued November 5, 2008, and entitled “Cash Draw and Expenditure Reporting System Instructions for Non-Allocated Funds to Local Workforce Development Boards and Other Texas Workforce Commission Grantees”

FLEXIBILITY RATINGS:

No Local Flexibility (NLF): This rating indicates that Boards must comply with the federal and state laws, rules, policies, and required procedures set forth in this WD Letter and have no local flexibility in determining whether and/or how to comply. All information with an NLF rating is indicated by “must” or “shall.”

Local Flexibility (LF): This rating indicates that Boards have local flexibility in determining whether and/or how to implement guidance or recommended practices set forth in this WD Letter. All information with an LF rating is indicated by “may” or “recommend.”