



Evaluation 2005

Accomplishments and Outcomes of the Texas Workforce Development System

Texas Workforce Investment Council
December 2005

**Texas Workforce Investment Council
1100 San Jacinto, Suite 100 (78701)
Post Office Box 2241
Austin, Texas 78768-2241**

**Voice: 512/936-8100
Fax: 512/936-8118**

List of Members

Business and Industry Representatives

Ann F. Hodge, Katy Chamber of Commerce
(Chair)
John W. Sylvester, Linbeck Corporation (Vice
Chair)
Edward B. Adams, Sr., E.B. Adams & Associates
Harold Jenkins, CTJ Maintenance, Inc.
John W. Wroten, Jr., EDS (Retired)

Education Representatives

Carmen Olivas Graham, Socorro Independent
School District
Larry F. Jeffus, Educational Consultant and
Author
Mary Pat Moyer, INCELL Corporation

Ex-Officio Members Representing State Agencies

Albert Hawkins, III, Health and Human Services
Commission
Tracye McDaniel, Office of the Governor,
Economic Development and Tourism
Shirley Neeley, Texas Education Agency
Raymund Paredes, Texas Higher Education
Coordinating Board
Larry Temple, Texas Workforce Commission

Labor Representatives

Jim N. Brookes, Carpenters Local No. 665
James E. Brown, Jr., General Motors Truck
R. Steve Dement, Pipe Fitters Local Union No.
211
Richard G. Hatfield, Airline Pilots Association
Robert Hawkins, United Association of Plumbers
and Pipe Fitters Local No. 529

Community-Based Organization Representatives

Sharla E. Hotchkiss, Consultant and Trainer

Mission

Assisting the Governor and the Legislature with strategic planning for and evaluation of the Texas workforce development system to promote the development of a well-educated, highly-skilled workforce for Texas.



Texas Workforce Investment Council

January 2006

Ann Hodge, *Chair*

John W. Sylvester, *Vice Chair*

Edward B. Adams

James Brookes

James E. Brown, Jr.

Steve Dement

Carmen Olivas Graham

Richard Hatfield

Albert Hawkins, Sr.

Robert Hawkins

Sharla E. Hotchkiss

Larry Jeffus

Harold Jenkins

Tracye McDaniel

Mary Pat Moyer

Shirley Neeley

Raymund Paredes

Larry Temple

John W. Wroten

Cheryl Fuller
Director

Dear Fellow Texan:

The Texas Workforce Investment Council (Council) is pleased to present this 2005 evaluative report on the Texas Workforce Development System. Approved unanimously by the Council at its December 9, 2005 meeting, this year's report follows the streamlined format established in 2004.

The focal point is a series of report cards with outcome data for program and system performance attributable to the efforts and actions of seven partner agencies and their delivery arms – local workforce development boards and workforce centers, community and technical colleges, independent school districts and local adult education providers. As this is the second year for the new reporting structure, the report includes the first longitudinal tracking information.

The report addresses the four components that the Council is required by statute to include in the system evaluation:

- Formal and Less Formal measures;
- Implementation of *Destination 2010: FY2004-FY2009 Strategic Plan for the Texas Workforce Development System*;
- Adult education action and achievements (SB 280, 78th Legislature); and
- Local workforce development board activities and alignment.

This report is a unique compilation and analysis of the achievements of the Texas Workforce Development System. Through the delivery of 25 workforce education and training programs, this system of state and local partners served close to 4.5 million individuals in the last reporting year.

I commend this report to you.

Ann Hodge, Chair

Evaluation 2005

Accomplishments and Outcomes of the Texas Workforce Development System

Texas Workforce Investment Council
December 2005

TABLE OF CONTENTS

	Page
Evaluation and Framework	1
Required Evaluation	1
Texas Workforce Development System	1
Background	2
<i>Destination 2010</i>	2
Measures	3
Programs in the Report Card Series	4
Report Cards	5
Data	5
Data Decisions and Treatment	5
Limitations	5
Structure	6
Report Card Series	9
System	9
Entered Employment	10
Employment Retention	12
Educational Achievement	14
Customers Served	18
Less Formal Measures and Benchmarks (Tier 2)	21
Agency Action Plans	21
Actions and Outcomes	21
System Accomplishments (Tier 3)	25
Strategic Action Plans	25
Actions and Outcomes	25
Adult Basic Education and Literacy	30
Mandate and Background	30
Key Actions	31
Next Steps	33
Texas' Local Workforce Development Board Alignment with <i>Destination 2010</i>	34
Mandate and Background	34
Local Board Alignment	35
Common Board Activities	36
2006 – Issues for Consideration and Action	37
Attachment	38
Data Addendum to Evaluation 2004: Accomplishments and Outcomes of the Texas Workforce Development System	38
Table of Contents	i

EVALUATION AND FRAMEWORK

Required Evaluation

The Texas Workforce Investment Council (Council) was created in 1993 by the 73rd Texas Legislature. As an advisory body to the Governor and the Legislature, the Council is charged with promoting the development of a well-educated and highly-skilled workforce for the State of Texas, and assisting with strategic planning for and evaluation of the Texas Workforce Development System (TWDS). The 19-member Council includes representatives from business, labor, education and community-based organizations.

The Council is required by Chapter 2308, Texas Government Code, to monitor the state's workforce development system. As part of that responsibility, the Council annually reports to the Governor and the Legislature on the degree to which the system is achieving state and local workforce goals and objectives.

State statutes require that four components be addressed in the system evaluation report:

- ▶ Formal and Less Formal performance measures
- ▶ Implementation of *Destination 2010: FY2004-FY2009 Strategic Plan for the Texas Workforce Development System*
- ▶ Adult education action and achievements (SB 280, 78th Legislature)
- ▶ Local workforce development board activities and alignment

The strategic plan – *Destination 2010* – and other Council reports are posted on the Council's website at:

<http://www.governor.state.tx.us/divisions/twic/>

Texas Workforce Development System

The TWDS is comprised of the workforce programs, services and initiatives administered by seven state agencies, 28 local workforce development boards, independent school districts, community and technical colleges and local adult education providers. System agency partners include:

- ▶ Economic Development and Tourism (EDT)
- ▶ Texas Association of Workforce Boards (TAWB)
- ▶ Texas Department of Criminal Justice (TDCJ)
- ▶ Texas Education Agency (TEA)
- ▶ Texas Health and Human Services Commission (HHSC)
- ▶ Texas Higher Education Coordinating Board (THECB)
- ▶ Texas Workforce Commission (TWC)
- ▶ Texas Youth Commission (TYC)

System partners are responsible for the delivery of 25 programs and services focused on education, workforce education and workforce training for three participant groups: adults, adults with barriers and youth.

Background

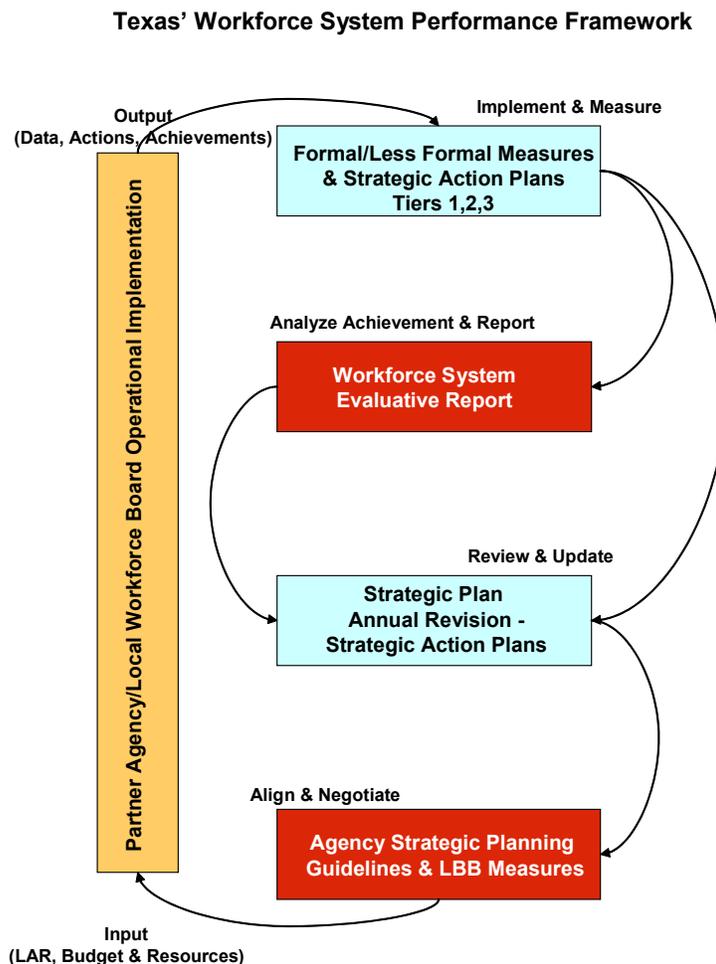
In FY2004, in conjunction with the development of *Destination 2010*, the Council adopted a three-tier evaluation hierarchy that is one component of a comprehensive system performance framework, illustrated in the graphic below. The framework depicts the inputs, outputs, and planning and evaluative components that form the cycle of planning, evaluation and implementation that the Council engages in with its system partners.

The 'Implement & Measure' box at the top right references the three evaluation tiers, which are comprised of metrics designed to evaluate workforce system performance as well as progress toward achieving the Long Term Objectives (LTOs) identified in the system strategic plan.

- ▶ Evaluation Tiers 1 and 2 consist of Formal and Less Formal measures, respectively, which are presented in the **Report Card Series** and **Less Formal Measures** sections of this report.
- ▶ The third tier consists of Strategic Action Plans (SAPs) and progress milestones toward the LTOs. These achievements are noted in the **System Accomplishments** section.

Key:

- Gold = delivery/yields
- Red = formal evaluative actions and course correction
- Blue = planning actions and impacts
- LAR = Legislative Appropriation Request
- LBB = Legislative Budget Board



Destination 2010

Working with system partners, the Council completed a two-year planning process in September 2003. The result of that process was *Destination 2010: FY2004-FY2009 Strategic Plan for the Texas Workforce Development System* – the strategic action plan approved by the Governor on October 15, 2003.

Destination 2010 was devised on a six-year timeframe to align with the existing Texas Strategic Planning and Performance Budgeting System as well as the reauthorization of federal workforce legislation. The plan is modified annually to indicate accomplishments and milestones achieved, as well as other applicable changes to the Strategic Action Plans (SAPs). The 2005 Update to *Destination 2010*, which includes all of the SAPs considered in this evaluative report, is posted on the Council's website: <http://www.governor.state.tx.us/divisions/twic/mandate/view>.

Measures

During the development of *Destination 2010*, performance measures were negotiated with partner agencies and subsequently approved by the Governor in October 2003.

Definitions and methodologies were determined by the Council and its partners during the 2004 biennial agency strategic planning process and in consultation with both the Governor's Office of Budget, Planning and Policy and the Legislative Budget Board. Only the Tier I Formal measures are included in the agency's Legislative Appropriation Request, and may or may not be specified as a Key measure¹.

There are three tiers of performance measures outlined in *Destination 2010*:

<i>Tier 1 – Formal</i>	System measures are outcome oriented and influenced by system partners. They establish responsibility for end outcomes / outputs that are central to the success of the system. System measures are essentially consistent across workforce programs and consist of the Formal measures found in partner agencies' performance measures for state-based budgeting and reporting.
<i>Tier 2 – Less Formal</i>	Strategy-critical measures are also outcome oriented and influenced by system partners. They establish responsibility for end outcomes / outputs that are central to the system partners' missions. Strategy-critical measures consist of the Less Formal measures, typically one to two per partner agency.
<i>Tier 3 – SAP Specific</i>	Capacity-building measures are process oriented. They establish responsibility for intermediate outcomes that identify and chart achievement of steps and milestones. These measures track progress towards achieving LTOs and workforce system integration through implementation of <i>Destination 2010</i> and annual updates.

Measures Definitions

- ▶ *Constructive Activity* – Percentage of youth who have been on parole for at least 30 days, and who are employed, and/or attending school, college, GED preparation, vocational or technical training.
- ▶ *Customers Served* – Number of employers and individuals who received system services, including program participation.
- ▶ *Educational Achievement* – Number and percent of all program participants who obtain a degree, other credential of completion or complete the level enrolled in either a training or educational program.
- ▶ *Educational Participation* – Percentage of the Texas population enrolled in higher education.
- ▶ *Educational Transition* – Percentage of public high school students who graduated in the previous fiscal year and who enrolled in higher education in the next fiscal year.

¹ Key measures – outcome, output, efficiency, and explanatory measures that are referenced in the General Appropriations Act and for which actual performance must be reported in ABEST (the Automated Budget and Evaluation System of Texas). Key measure reporting indicates the extent to which an agency is achieving its goals or objectives. [Legislative Budget Board, Performance Measure Reporting for State Agencies, December 2003]

- ▶ *Employment Retention* – Number and percent of all program participants who retain employment at a specified point after exiting a program.
- ▶ *Entered Employment* – Number and percent of all program participants who secure employment after exiting a program.
- ▶ *Jobs Created* – The number of newly created, non-transient jobs as a direct result of training through the Skills Development Fund and the Self-Sufficiency Fund.
- ▶ *Jobs Retained* – The number of job positions retained as a direct result of training through the Skills Development Fund and the Self-Sufficiency Fund.
- ▶ *Pre-release Placement* – Percentage of offenders released from TDCJ facilities into society that were employed prior to release.
- ▶ *Secondary Dropout* – Percentage dropout (annual) for grades 7-12, based on the agency definitions and exclusions.²
- ▶ *TANF Recidivism* – Percentage of current adult recipients on Temporary Assistance for Needy Families (TANF) who have returned to TANF cash assistance one or more times within the last five years.

Programs in the Report Card Series

Apprenticeship Chapter 133
 Adult Education – Workforce Investment Act (WIA II)
 Adults – WIA I
 Blind Services
 CTC Academic – Community and Technical College
 CTC Technical – Community and Technical College
 Dislocated Workers – WIA I
 Employment Services – Wagner Peyser
 Food Stamp Employment and Training
 Perkins Secondary Education – Career and Technical Education
 Postsecondary – Community and Technical College / TDCJ
 Project RIO (Re-Integration of Offenders)
 Rehabilitation Services
 Secondary Education
 Secondary Education: Academic – TYC
 Secondary Education: Technical – TYC
 Secondary Education: Windham Academic – TDCJ
 Secondary Education: Windham Technical – TDCJ
 Self-Sufficiency Fund
 Skills Development Fund
 STEP – Senior Texans Employment Program
 TANF Choices – Temporary Assistance for Needy Families
 TAA/NAFTA – Trade Adjustment Assistance/North American Free Trade Act
 Veterans Employment and Training (E&T)
 Youth – WIA I

² Dropout data reported to the Council will conform to the requirements of the National Center for Education Statistics (NCES) beginning in 2007, as required by Senate Bill 186, 78th Legislature. Prior years' data will be amended to and replaced by NCES-conforming data for the purposes of longitudinal analysis. A detailed explanation is provided as an attachment to the Evaluation 2004 report.

REPORT CARDS

Data

Data for all Formal measures except Customers Served are presented as both an absolute number and as a percentage. All data are from the most recent 12-month reporting period available and appropriate to that measure.

Data will be presented and tracked longitudinally. Longitudinal calculations and tracking begin with this 2005 report.

Each report card has a column for the rate of change, representing the percentage point difference between the data provided by agencies in the 2004 report and the data provided by agencies for the 2005 report. Future annual evaluation reports will include two rates of change: (1) a one-year rate that captures the change from the previous year to the current year; and (2) a cumulative rate that aggregates the rate of change from 2004 to the current year. The one-year rate of change that represents the percentage point difference from 2004 to 2005 is expressed as a percentage. In future years, the cumulative rate of change from 2004 will be expressed as a percentage point difference.

Data Decisions and Treatment

Instances where the value in the Change 2004-2005 column was more than 10%, either positive or negative, were determined to be significant and are addressed within the appropriate report card section. State agencies typically explain performance variance differences of greater than 5%, either increase or decrease, when reporting performance measures to the Legislative Budget Board (LBB). Because this is only the second year of reporting under the common measures alignment approach, and partner agencies continue to modify data collection and reporting methodologies to ensure an accurate presentation of program performance, a 10% variance in program performance was deemed appropriate to stimulate further review.

Two data variances of less than 10% are also commented on. The Council has the responsibility, as specified in Texas Government Code, with recommending formulae and administrative procedures for requesting appropriations of state funds for the apprenticeship programs funded under Chapter 133 of the Texas Education Code. Given this statutory responsibility, the 9.11% variance in Customers Served for this program is explored. Also noted is the 8.92% change in the Less Formal measure Jobs Created, given the importance of job training programs that result in new jobs for Texas.

Additionally, significant changes in numerator and/or denominator values from 2004 to 2005, but with no resulting significant change between rates, were also reviewed. Those instances are addressed in their respective report card sections.

A rounding convention has been applied to the Formal and Less Formal measures data: .001 to .004 has been rounded down to .00; .005 to .009 has been rounded up to the next highest hundredth.

Limitations

- ▶ *Data Ownership* – Some partner agencies process their own data, while others have interagency agreements with other partner agencies for data processing. Raw data are confidential records owned by the applicable agency.

▶ *Unemployment Insurance Records* –

- *Time-Lag* – There is a significant delay in receiving and analyzing unemployment insurance (UI) wage records for measuring performance. For example, when looking at six-month retention factors, there is a six-month wait to establish the period of data collection, plus four to five months for employers to submit the data to the Texas Workforce Commission. This lag continues to pose significant challenges regarding timely performance measurement in other states, as well as Texas. It appears that this approximately one-year data lag will be ongoing because of the UI records delay and the time necessary for agencies to process and report the data to the Council.
- *Coverage* – Another UI data limitation is that an unknown number of program exiters obtain jobs that are not covered by the Texas UI system. For example, the self-employed, those who relocate and become employed in another state, and those who live in Texas but are employed across state lines are not reported in the Texas UI database. Such non-coverage issues result in lower levels of documented employment, reflecting negatively when the efficacy of education and training programs is evaluated.

- ▶ *Employer-Related Measures* – A significant limitation of system performance measurement continues to be the need for greater focus on employers. At the federal level, the only employer-related measure under the Workforce Investment Act (WIA) has been Customer Satisfaction. As currently proposed, WIA reauthorization will not retain this measure.

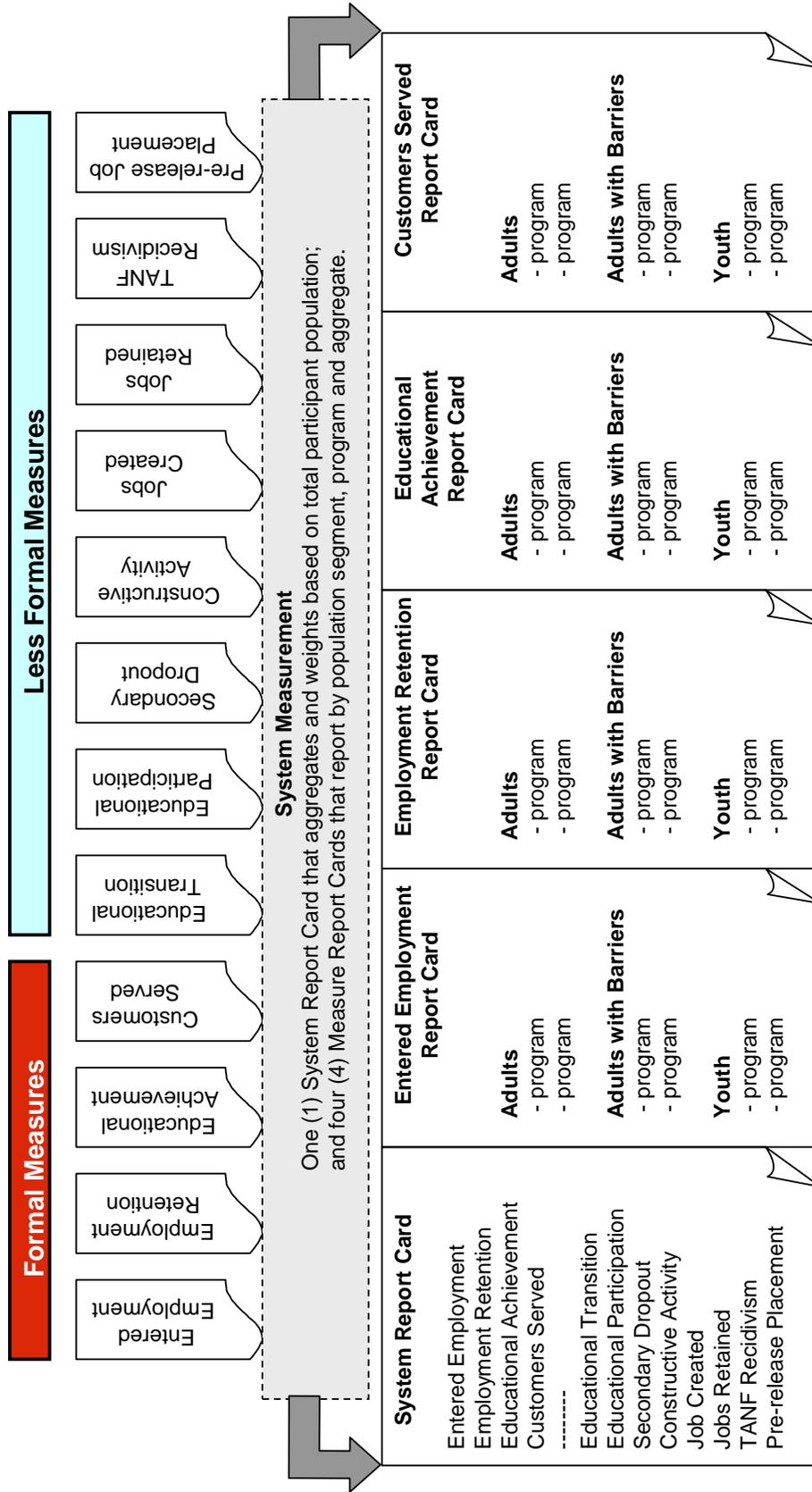
- ▶ *Report Card Series* – The Council believes that the report card series is a useful tool to present overall system performance. System evaluation is complex and, although the four Formal measures are appropriate to provide a system snapshot, they should not be viewed in isolation from other factors. It should be noted that agencies and programs have different service populations with unique needs and characteristics, which has a large effect on performance data. Additional limitations of specific significance to a single program are footnoted on the applicable report card.

Aggregate data is presented on the four Formal measures report cards as well as the System report card. However, it is important to note that not all data definitions or methodologies are identical, thus the total should be viewed as a good approximation of overall system performance. During the 2004 data definition and methodology negotiation, the Council requested that where federal common definitions were relevant, those definitions be used. The intent was to lessen the differences between the data sets, thereby achieving a higher degree of relevance when aggregating data across multiple programs. Collaboration with partner agencies on the 2005 report reinforced the understanding that, to the extent possible, definitions for measures used in this report align to federal common measures.

Structure

System performance is presented in a series of five report cards that contain data reported by partner agencies for the Formal and Less Formal (Tiers 1 and 2) measures. The graphic on the following page illustrates the relationship of Formal measures to the report card series.

Report Card Structure for Reporting and Evaluating Measures



- ▶ *System Report Card* – This report card contains aggregate data for the four Formal measures, with the data sets combined across programs. In addition, it includes data for the eight Less Formal measures. Since Less Formal measures are specific to a single program there is no data aggregation.
- ▶ *Formal Measure Report Cards* – Individual report cards with accompanying analysis are included for each of the four Formal measures. Each of these contains outcome data by program organized into three categories: Adults, Adults with Barriers and Youth. Each program was assigned to one of the three categories in order to establish the greatest level of outcome equivalency and comparability.

All programs included in the Adults with Barriers category had to meet at least one of four criteria as a characteristic of the participant population: economically disadvantaged, educationally disadvantaged, incarcerated or physically impaired and requiring adaptive or rehabilitative services.

REPORT CARD SERIES

System³

As with the 2004 Evaluation report, the System report card shows the performance of the Texas Workforce Development System and includes totals for each of the four Formal measures that have been aggregated and weighted by the number of program participants. The card also shows the number, percent, where applicable, and 2004 to 2005 change for each of the eight Less Formal Measures.

Following the System report card, a report card for each Formal measure is presented and discussed. The next section of the report presents the Less Formal measures by goal, definition, benchmark and data sets. In this 2005 report, the change column reflects the increase or decrease between values in the 2004 report and those calculated for this 2005 report.

2005 Workforce System Report Card

Formal Measures	Actual	Percent	Change 2004-2005
Entered Employment	919,346	67.92%	2.19%
Employment Retention	1,103,692	79.93%	0.96%
Educational Achievement	435,917	76.74%	0.39%
Customers Served	4,468,450	N/A	-3.74%
Less Formal Measures			
Educational Transition	129,705	53.12%	0.10%
Educational Participation	1,171,405	5.25%	0.09%
Secondary Dropout	16,434	0.85%	-0.05%
Constructive Activity	1,725	57.69%	6.38%
TANF Recidivism	16,591	46.00%	2.32%
Pre-release Placement	1,043	3.17%	2.19%
Jobs Created ⁴	6,168	N/A	-8.92%
Jobs Retained ⁴	17,371	N/A	36.62%

³ Percentage point difference reflects revised 2004 data published in the 2004 data addendum to this report.

⁴ Data for Jobs Created and Jobs Retained have been revised from the 2004 Evaluation report and are discussed on pages 23-24.

Entered Employment⁵

2005 Entered Employment Report Card			
	Actual	Percent	Change 2004-2005
Adults			
CTC Academic	13,756	90.88%	0.21%
CTC Technical	25,597	88.70%	-0.85%
Skills Development Fund	13,071	93.10%	-1.56%
TAA/NAFTA	2,667	76.37%	-3.15%
Veterans E&T	20,194	62.15%	-2.96%
Employment Services	649,616	66.16%	1.29%
Dislocated Workers (WIA I)	6,192	90.78%	1.03%
Adults (WIA I)	12,403	90.66%	1.14%
Adults Total	743,496	67.82%	1.12%
Adults with Barriers			
Blind Services	1,375	73.37%	-1.63%
Rehabilitation Services	14,563	58.67%	22.90%
Adult Education (WIA II)	1,765	39.18%	6.17%
Food Stamp E&T	12,201	66.22%	4.16%
Project RIO	7,666	79.64%	16.77%
Self-Sufficiency Fund	1,376	89.58%	7.17%
STEP	265	24.61%	5.17%
TANF Choices	50,506	62.49%	-0.60%
Adults with Barriers Total	89,717	62.88%	10.33%
Youth			
Perkins Secondary	85,078	75.14%	-1.05%
Youth (WIA I)	1,055	77.97%	6.59%
Youth Total	86,133	75.17%	-0.91%
Total	919,346	67.92%	2.19%

⁵ Percentage point difference reflects revised Evaluation 2004 data published in the 2004 data addendum to this report.

Entered Employment Analysis

Entered Employment –

number and percent of all program participants who secure employment after exiting a program.

The data sets in the Entered Employment report card are from those workforce development system programs and services that have the acquisition of employment as a significant, intended outcome for participants. Data limitations other than those general limitations, such as time-lag of UI wage matching, are contained within the card footnotes.

As this is the second data point for those Formal measures approved by the Governor in October 2003, comparison between data sets from the 2004 report and this report is now possible. In the future, more in-depth longitudinal analysis will be possible as additional data points become available.

Data

Adults

The data range for Adults is from 62.15% for Veterans Employment and Training to 93.10% for the Skills Development Fund. Five of the eight programs reported performance at 88% or above, and the average change from 2004 to 2005 was a decrease of just under 1%. An overall increase of 1.12% was noted for this group.

Adults with Barriers

The data range for Adults with Barriers is from 24.61% for Senior Texans Employment Program (STEP) to 89.58% for Self-Sufficiency Fund participants. Of the eight programs in this segment, three reported entered employment rates of over 73%. Only two programs reported rates below 40%: Adult Education (39.18%) and STEP (24.61%). Despite these rates, both programs demonstrated higher rates from those in 2004, with respective increases of 6.17% and 5.17%.

Entered employment for Rehabilitation Services is typically in the low 50% range, which is consistent with national vocational rehabilitation program averages. The most recent reported data reflect Texas' alignment with national averages in this area. The 22.90% gain noted for this measure is related to a similar number of participants entering employment (numerator) in 2004 and 2005, combined with an absolute decrease in the total population served (denominator) in 2005. The decrease in the population served is due, in part, to the realignment of criteria for both setting caseload limits and adding clients to existing caseloads. Specifically, the agency undertook substantive steps to reduce very large caseloads. The criteria used were consistent with federal guidelines from the Rehabilitative Services Administration.

Three other programs, Project RIO, Self-Sufficiency Fund and STEP saw increases of more than 5% from 2004. According to the Texas Workforce Commission (TWC), the 16.77% increase in Project RIO performance was due, in part, to stabilized workforce center staffing, increased use and knowledge of the TWC's WorkInTexas.com Internet application, leveraging relationships with employers willing to hire ex-offenders, and a more integrated approach to service delivery.

An overall increase of 10.33% was noted for the entire group.

Youth

Youth data indicated consistent entered employment outcomes at 77.97% for Youth (WIA I) and 75.14% for Perkins Secondary (Career and Technical Education). A slight overall decrease of nearly 1% occurred from 2004 to 2005.

Total

Of the 1,353,623 program participants, 919,346 (67.92%) entered employment. This represents an increase of 2.19% from 2004.

Employment Retention⁶

2005 Employment Retention Report Card			
	Actual	Percent	Change 2004-2005
Adults			
CTC Academic	9,286	81.98%	-0.26%
CTC Technical	21,300	88.39%	0.16%
Skills Development Fund	12,238	92.02%	7.54%
TAA/NAFTA	2,515	90.18%	2.31%
Veterans E&T	23,800	79.75%	-1.15%
Employment Services	876,837	80.08%	0.47%
Dislocated Workers (WIA I)	7,489	90.27%	2.45%
Adults (WIA I)	17,298	88.90%	5.04%
Adults Total	970,763	80.63%	0.58%
Adults with Barriers			
Blind Services	539	84.88%	-0.39%
Rehabilitation Services	13,045	85.33%	2.59%
Adult Education (WIA II)	8,600	46.54%	-2.96%
Food Stamp E&T	8,664	70.10%	1.43%
Project RIO	5,300	65.54%	-0.42%
Self-Sufficiency Fund	625	80.23%	19.59%
TANF Choices	30,146	70.07%	0.82%
Adults with Barriers Total	66,919	67.84%	0.58%
Youth			
Perkins Secondary	66,010	84.44%	7.54%
Youth Total	66,010	84.44%	7.54%
Total	1,103,692	79.93%	0.96%

⁶ Percentage point difference reflects revised Evaluation 2004 data published in the 2004 data addendum to this report.

Employment Retention Analysis

Employment Retention –

number and percent of all program participants who retain employment at a specified point after exiting a program.

As with Entered Employment, the data sets in the Employment Retention report card are from those workforce development system programs and services that have the acquisition and maintenance of employment as a significant, intended outcome for participants. Data limitations other than those general limitations, such as time-lag of UI wage matching, are contained within the card footnotes.

As this is the second data point for those Formal measures approved by the Governor in October 2003, comparison between data sets from the 2004 report and this report is now possible. In the future, more in-depth longitudinal analysis will be possible as additional data points become available.

Data

Adults

The data range for employment retention for Adults is from 79.75% for Veterans Employment and Training to 92.02% for the Skills Development Fund, an increase of 7.54% for this program. Each of the eight programs reported performance in the upper 70% to lower 90% range. The average change from 2004 to 2005 was an increase of just over 2%. An overall increase of 0.58% was noted for this group.

Adults with Barriers

The data range for Adults with Barriers is from 46.54% for Adult Education (WIA II) to 85.33% for Rehabilitation Services.

The significant performance gain of 19.59% noted for the Self-Sufficiency Fund represents both an increase in the number of clients served and the number of clients actually retaining employment. According to the Texas Workforce Commission (TWC), the positive outcomes in both gaining and retaining employment are a direct result of efficiencies in program service delivery, such as an increased usage of online training, resulting in a more accessible and relevant training designed to serve this population. Additionally, participating businesses exceeded the training requirements specified in their contract agreements by enrolling more trainees than projected.

While 2004 to 2005 data comparisons for the Project RIO program indicated only a minor decrease of 0.42%, there was a significant increase in 2005 in absolute terms both in the numbers served and the number of participants retaining employment. According to TWC, prior year data reflects Project RIO participants who exited between April 2002 and March 2003. In September 2003, the tracking system for local boards to enter Project RIO client information changed from a mainframe system to The Workforce Information System of Texas (TWIST), thereby ensuring a high degree of accuracy and quality of data capture and reporting.

The average change from 2004 to 2005 for each of the other programs in Adults with Barriers was negligible. An overall increase of 0.58% was noted for the entire group.

Youth

Youth data includes only one program and the data for Perkins Secondary (Career and Technical Education) is consistent with and improved upon from that reported in 2004 by 7.54%.

Total

Of the 1,380,863 program participants who entered employment, 1,103,692 (79.93%) retained employment. This represents an increase from 2004 of 0.96%.

Educational Achievement⁷

2005 Educational Achievement Report Card

	Actual	Percent	Change 2004-2005
Adults			
CTC Academic	14,020	22.31%	1.18%
CTC Technical	8,169	23.21%	-0.01%
Apprenticeship Chapter 133	2,554	76.67%	-0.76%
Skills Development Fund	2,419	90.87%	-8.14%
Dislocated Workers (WIA I)	3,088	95.43%	0.35%
Adults (WIA I)	5,695	92.14%	-1.95%
Adults Total	35,945	31.69%	-0.78%
Adults with Barriers			
Adult Education (WIA II)	5,584	42.80%	-11.34%
Postsecondary	2,259	33.53%	6.11%
Secondary Windham Academic	4,522	83.93%	4.92%
Secondary Windham Technical	5,765	75.70%	1.99%
Self-Sufficiency Fund	249	83.56%	-12.93%
Adults with Barriers Total	18,379	55.55%	-1.96%
Youth			
Perkins Secondary	120,030	79.58%	0.53%
Secondary Education	260,404	96.12%	0.62%
Youth (WIA I)	2,319	55.41%	16.34%
Secondary Academic (TYC)	1,099	47.66%	-1.19%
Youth Total	383,852	89.63%	1.02%
Total	435,917	76.74%	0.39%

⁷ Percentage point difference reflects revised Evaluation 2004 data published in the 2004 data addendum to this report. Educational achievement includes participant outcomes for both educational and training programs. Data subsets (duplicates) include Postsecondary. The card total has been adjusted to provide an unduplicated count.

Educational Achievement Analysis

Educational Achievement –

number and percent of all program participants who obtain a degree, other credential of completion or complete the level enrolled in either a training or educational program.

The data sets in the Educational Achievement report card are from those system programs and services that have the acquisition of knowledge and skills as a significant, intended outcome for participants. Data limitations other than those general limitations, such as time-lag of UI wage matching, are contained within the card footnotes.

As this is the second data point for those Formal measures approved by the Governor in October 2003, comparison between data sets from the 2004 report and this report is now possible. In the future, more in-depth longitudinal analysis will be possible as additional data points become available.

Data

Adults

The data range for Adults is from 22.31% for Community and Technical College Academic programs to 95.43% for Dislocated Workers (WIA I) programs. The six programs reported performance in three ranges: (1) 23.21% and below, (2) 76.67%, and (3) 90.87% or above, with a segment total of a 31.69% achievement rate.

The average change from 2004 to 2005 was a decrease of 1.56%. An overall decrease of 0.78% was noted for this group.

Community and Technical College data for both Academic and Technical programs are based on a starting cohort and total awards earned within a six-year period. The data sets include certificates, as well as associate and higher degrees. While this data reflects the success of a specific cohort across time, it does not indicate the educational success of students in a 12-month period as measured by the awarding of certificates⁸ or associate degrees. In academic year 2004, almost 54,000 Community and Technical College credentials were awarded. This number is more than double the completions, or graduation rate, reported under the current longitudinal definition. For this reason, the Council will continue to work with the Texas Higher Education Coordinating Board in 2006 to refine the measure so it is a more accurate representation of educational achievement in Texas' Community and Technical Colleges.

While the change for the Skills Development Program was within variance with a reduction of 8.14%, significant increases in both numbers served and completers were noted. As the Texas Workforce Commission (TWC) noted, the Skills Development Program is employer-driven. It involves grant requests to provide training specifically needed by employers. From year to year, the grant requests change. Sometimes employers want training that is designed to result in a recognized degree or credential while in other cases they want more generic training. Only participants who were enrolled in education designed to result in a recognized degree or credential are included in the measure. When the mix of grants changes, as it will from year to year, so will the number of people who are included in the measure.

Adults with Barriers

The data range for Adults with Barriers is from 33.53% for Postsecondary to 83.93% for Secondary Academic education, Windham School District. The five programs reported performance in two ranges: (1) 33.53% to 42.80% and (2) 75.70% to 83.93%. The average change from 2004 to 2005 was a decrease of 2.25%. An overall decrease of 1.96% was noted for the entire group.

⁸ Certificates – Includes (1) Level One (15-42 semester credit hours), (2) Level Two (43-59 semester credit hours) and (3) Level Three, or Enhanced Skills (6-15 semester credit hours and attached to an applied associate degree), Certificates. [Texas Higher Education Coordinating Board, Guidelines for Instructional Programs in Workforce Education – 2003 GIPWE]

Reductions in performance levels for the Self-Sufficiency Fund (-12.93%) are likely due to current data capture and reporting exceptions. According to TWC, the difficulties lie in the significant lag associated with both the Self-Sufficiency Fund and the Skills Development Fund (reported in the 'Adults' category). This measure focuses on clients who exited programs over a year ago, and in funding contracts at that time provisions were not included to require the grantees to report the information necessary to calculate this Formal measure appropriately. Newer contracts now include this requirement; therefore in subsequent years data should be readily available and accurate for reporting.

Youth

Youth data includes four programs. The data range for this population is from 47.66% for Secondary Academic (TYC) to 96.12% for Secondary Education. In the Youth segment 383,852 individuals achieved educational outcomes. This constitutes 89.63% of the number served and an increase of just over 1% from 2004.

The performance increase for the Youth WIA I program (16.34%) may be attributed to more emphasis placed on improving performance by the local boards and entering data (e.g., credentials and certificates) in a timelier manner.

Total

Of the 568,032 program participants, 435,917 (76.74%) achieved an educational outcome, an increase from 2004 of 0.39%. Postsecondary performance numbers of 2,259 in the Adults with Barriers segment were subtracted from the aggregate of all programs to achieve the unduplicated performance total and percent.

Additional Data

The following data sets were provided by partner agencies so that a more comprehensive picture of educational achievement could be presented, thereby providing important contextual information.

- ▶ Career Schools and Colleges awarded 71,083 degrees and certificates.
- ▶ For all Windham Secondary enrollments, 40.16% completed the level enrolled, an increase of 5.94% from the previous year.
- ▶ An additional 2,558 persons were enrolled in postsecondary academic and workforce training through a federal Youthful Offender Grant. Of those served, 1,974 were successful in gaining a certificate or degree, including short course completions.
- ▶ Of the 421,748 enrollments in Secondary Education and Secondary Career and Technical Education⁹, 160,674 were in Tech Prep¹⁰. This represents an increase of 8.73% from the previous year.
- ▶ Adult Education students completed the level enrolled at a rate of 43.14%, an increase of 3.15%.

⁹ This number represents the combined number served for these two programs.

¹⁰ Tech Prep – a comprehensive and articulated program that offers students the opportunity to study in a career program in high school and either gain credit or experience which will assist them in their transition to higher education.

- this page intentionally left blank -

Customers Served¹¹

2005 Customers Served Report Card		
	Actual	Change 2004-2005
Adults		
CTC Academic	281,991	7.02%
CTC Technical	161,493	-2.88%
Apprenticeship Chapter 133	3,272	-9.11%
Skills Development Fund	14,697	6.51%
TAA/NAFTA	5,133	-31.52%
Veterans E&T	98,366	62.22%
Employment Services	1,242,797	-16.00%
Dislocated Workers (WIA I)	17,834	-4.98%
Adults (WIA I)	36,134	10.54%
Adults Total	1,861,717	-9.02%
Adults with Barriers		
Blind Services	9,848	-3.79%
Rehabilitation Services	76,337	-34.38%
Adult Education (WIA II)	139,690	5.98%
Food Stamp E&T	30,282	15.92%
Project RIO	18,375	7.38%
Self-Sufficiency Fund	7,995	113.94%
STEP	1,077	-1.28%
TANF Choices	93,809	-14.96%
Postsecondary	6,737	-8.50%
Secondary Windham Academic	70,673	-0.56%
Secondary Windham Technical	11,680	-2.58%
Adults with Barriers Total	466,503	-8.02%
Youth		
Perkins Secondary	893,243	2.96%
Secondary Education	1,216,748	1.77%
Youth (WIA I)	26,689	16.31%
Secondary Academic (TYC)	6,000	3.66%
Secondary Technical (TYC)	4,287	4.77%
Youth Total	2,146,967	2.44%
Total	4,468,450	-3.74%

¹¹ Percentage point difference reflects revised Evaluation 2004 data published in the 2004 data addendum to this report.

Customers Served Analysis

Customers Served –

number of employers and individuals who received system services, including program participation.

As with all other Formal measures, the data sets in the Customers Served report card are from Texas' workforce development system programs and services. Data limitations other than those general limitations, such as time-lag of UI wage matching, are contained within the card footnote.

This is the second data point for this Formal measure approved by the Governor in October 2003. While Customers Served is typically defined and treated as a lag measure, it was recommended for inclusion as a Formal measure for two reasons:

- ▶ Customers Served may be used as a lead measure for the purpose of system strategic planning given its tie to program infrastructure usage and capacity; and
- ▶ Total Customers Served, achieved through comprehensive reporting by programs, reveals the actual number of individuals being served by the system programs and services.

Data

Adults

The data range for Adults is from 3,272 customers served by Chapter 133 Apprenticeship programs to 1,242,797 customers served by Employment Services through local workforce development boards' workforce centers.

The nine programs in this segment reported serving 1,861,717 individuals, a reduction of just over 9% from 2004. Adults (WIA I) had an increase of 10.54% due to increased emphasis in supporting this customer population and Veterans Employment and Training saw an increase of 62.22% from 2004. These gains were offset by reductions in Trade Assistance Act/North American Free Trade Act (TAA/NAFTA) (-31.52%); Employment Services (-16.00%); Apprenticeship (-9.11%); and Dislocated Workers (-4.98%).

The 31.52% reduction in TAA/NAFTA customers can be correlated to the steadily improving Texas economy. There have been fewer trade-related layoffs and those impacted by such layoffs are finding employment faster. The improving economy is also a direct factor in the 16.00% reduction noted in Employment Services customers. Specifically, as the number of unemployment insurance claimants continues to drop, so to does the population that comprises this measure. These programs' reductions, 239,044 fewer customers served in 2005, contributed directly to the overall decrease in this segment (-9.02%) and the total customers served (-3.74%) for the entire measure.

As the Texas Workforce Commission (TWC) reported to the Legislative Budget Board (LBB) and the House Appropriations Committee, Chapter 133 Apprenticeship customer decline of 9.11% is attributable to several factors. Because of methods prescribed by rule and LBB definition to count enrollment in apprenticeship programs, the measure does not provide an accurate reflection of participation. The official counts are taken at the second and fourth class meetings, or the third class meeting. This method is based on the traditional nine-month model used in academic settings. TWC has reviewed their current rule and LBB measure to identify changes that will ensure that all participating apprentices are counted. Additionally, because apprenticeship programs require an average commitment of four years and apprentices are paid full-time wages throughout their training, employers have been cautious about adding apprentices until they are clear that their businesses have sustainable needs. With the improving economy, it is likely that employers will increase the use of apprentices.

The 62.22% increase in Veteran customers is attributed to enhanced reporting capabilities in the Texas Workforce Commission's (TWC) WorkInTexas.com Internet site. Specifically, WorkInTexas.com provides more accurate collection and reporting of job seekers who are qualified veterans.

Adults with Barriers

The data range for Adults with Barriers is 1,077 customers served for Senior Texans Employment Program to 139,690 customers served by Adult Education and literacy programs.

The eleven programs in this segment reported serving 466,503 individuals, a decrease of 8.02% from 2004.

The significant reduction in Rehabilitation Services customers served (-34.38%) is attributed to efforts, recommended by the agency's federal partner, the Rehabilitation Services Administration, to reduce caseload size for vocational rehabilitation counselors. The Department of Assistive and Rehabilitative Services believes that this realignment of caseloads, occurring in 2003 and 2004, is mostly complete and subsequent reporting on this item should show consistent levels of Rehabilitation Services customers served.

The nearly 15% reduction in TANF Choices customers is a direct result of the overall reduction in TANF caseloads.

Several factors account for the increased number of customers served under the Food Stamp Employment and Training (FSE&T) program. During the program year, several local workforce development boards increased outreach to the FSE&T population, with a goal of 100%. Additionally, TWC received additional federal funds that afforded an increase in services available to the Able-Bodied Adults Without Dependents segment of the FSE&T participants, allowing the local boards to use other FSE&T funds to serve more general population participants. As with many of the other services administered by TWC, roll-out of the WorkInTexas.com Internet application enabled improved efficiency over prior years.

Of particular note is the substantial increase in customers served through the Self-Sufficiency Fund. TWC staff reports that alternative service delivery methods, such as increased use of online training, leveraged greater delivery efficiencies per dollar of program funding, thereby resulting in a significantly higher number of customers served. An increased number of customers in this program offset reductions in other programs in this segment.

Youth

The data range for Youth is 4,287 customers served through Secondary Technical programs administered by the Texas Youth Commission to 1,216,748 customers served by Secondary Education.

It is likely that the increased number of customers served under the Youth (WIA I) measure is related, in part, to efficiencies and overall program performance increases, at the local board level, noted for this group in the Educational Achievement report card analysis of this report.

The five programs in this segment reported serving 2,146,967 individuals. This reflects an increase of 2.44%.

Total

Partners in the Texas Workforce Development System served 4,468,450 individuals for an overall reduction in the customers served from 2004 of 3.74%.

While the total number of customers served decreased from the number reported in the 2004 evaluation report, this decrease is a positive change for Texas' workforce system and Texans. Decreases in the number of customers served totals can be correlated with Texas' economy, which has been growing steadily over the past two years. The programs that had the largest absolute losses in numbers served include Employment Services, Trade Assistance Act/North American Free Trade Act, Dislocated Workers, Rehabilitation Services and TANF Choices. As unemployment continued its downward trend, more Texans had jobs and required less assistance and government services.

LESS FORMAL MEASURES AND BENCHMARKS (TIER 2) _____

Agency Action Plans

In the Evaluation 2004 report, benchmarks were established for each Less Formal measure. Less Formal measures are those specified in Texas Government Code, Section 2308.104, which are critical to the implementation of the workforce development system strategic plan.

Approved by the Governor in October 2003, the eight Less Formal measures presented below were derived from the Agency Action Plans (AAPs) contained in *Destination 2010*. These AAPs apply to actions and responsibilities at the individual agency level and are directly linked to programmatic Long Term Objectives (LTOs) contained in the Customers Key Performance Area.

Actions and Outcomes

Critical Success Factor for the Programmatic LTOs: Current and future workers will access and be successful at the programs necessary to gain knowledge and skills for tomorrow's economy. The system will maximize participant outcomes in critical points in the continuum of education to employment.

Agency Action Plan Objectives

- ▶ Reduce student dropouts from public schools between grades 7 and 12.

Secondary Dropout definition: Percentage dropout (annual) for grades 7-12, based on the agency definitions and exclusions.¹²

Benchmark (established by data submitted for 2004 report): 0.91%

Secondary Dropout Percentage: 0.85%

Data: 16,434 individuals counted as a dropout from a population of 1,924,717.

Change from data reported in 2004-2005: -0.05%

- ▶ Increase exiting secondary students pursuing academic and/or workforce education.

Educational Transition definition: Percentage of public high school students who graduated in the previous fiscal year and who enrolled in higher education in the next fiscal year.

Benchmark (established by data submitted for 2004 report): 53.02%

Educational Transition Percentage: 53.12%

Data: 129,705 individuals counted as transitioning from a population of 244,165.

Change from data reported in 2004-2005: 0.10%

¹² Dropout data reported to the Council will conform to the requirements of the National Center for Education Statistics (NCES) beginning in 2007, as required by Senate Bill 186, 78th Legislature. Prior year's data will be amended to and replaced by NCES-conforming data for the purposes of longitudinal analysis. A detailed explanation of the definitional differences is provided as an attachment to the Evaluation 2004 report.

- ▶ Increase the Texas higher education participation rate (i.e., the percentage of the population enrolled in higher education).

Educational Participation definition: Percentage of the Texas population enrolled in higher education.

Benchmark (established by data submitted for 2004 report): 5.16%

Educational Participation Percentage: 5.25%

Data: 1,171,405 individuals counted as enrolled from a Texas population of 22,293,020.

Change from data reported in 2004-2005: 0.09%

- ▶ Decrease number of Temporary Assistance for Needy Families (TANF) recipients returning to the program.

TANF Recidivism definition: Percentage of current adult recipients on Temporary Assistance for Needy Families (TANF) who have returned to TANF cash assistance one or more times within the last five years.

Benchmark (established by data submitted for 2004 report): 43.68%

TANF Recidivism Percentage: 46.00%

Data: 16,591 individuals counted as returning to TANF from a population of 36,067.

Change from data reported in 2004-2005: 2.32%

- ▶ Increase the percentage of adult offenders placed in jobs prior to release.

Pre-release Placement definition: Percentage of offenders released from TDCJ facilities into society that were employed prior to release.

Benchmark (established by data submitted for 2004 report): 0.99%¹³

Pre-release Placement Percentage: 3.17%

Data: 1,043 individuals counted as obtaining employment prior to release from incarceration, from a population of 32,861.

Change from data reported in 2004-2005: 2.19%

¹³ 2004 data represents a partial fiscal year data set, accounting for the low percentage. This was a new initiative for which data collection began in early 2004.

- ▶ Increase constructive activity rate (i.e., placements and other positive outcomes, including pursuing academic and/or workforce education) for youthful offenders.

Constructive Activity definition: Percentage of youth who have been on parole for at least 30 days, and who are employed, and/or attending school, college, GED preparation, vocational or technical training.

Benchmark (established by data submitted for 2004 report): 51.31%

Constructive Activity Percentage: 57.69%

Data: 1,725 youths counted as continuing on to additional education or employment from a population of 2,990.

Change from data reported in 2004-2005: 6.38%

- ▶ Achieve job growth increases.

Jobs Created definition: The number of newly created, non-transient jobs as a direct result of training through the Skills Development Fund and the Self-Sufficiency Fund.

Benchmark (established by data submitted for 2004 report): 6,772¹⁴

Jobs Created: 6,168

Data: 4,165 new jobs attributed to Skills Development Fund training and 2,003 new jobs attributed to Self-Sufficiency Fund activities.

Change from data reported in 2004-2005: -8.92%

Explanatory Information: According to the Texas Workforce Commission, the 8.92% decrease in Skills Development Fund and Self-Sufficiency Fund jobs created from 2004 to 2005 was due to a change in performance calculation methodology. In data reported in 2004, credit for trainees placed with any employer was allowed and included in the jobs created count. In addition, unemployment insurance (UI) wage records were used to identify trainees who obtained employment. In the last reported program year, the Workforce Training and Employment Contracts unit has implemented efforts to hold grantees in compliance with contract terms. This has led to providing credit for trainee placement only with contracted business partners. In addition, since UI wage records do not indicate prolonged employment per contract requirements (90 days post training completion), the practice of utilizing UI information has been dropped.

¹⁴ *Jobs Created* – Incorrect data was published in the 2004 report, resulting in the establishment of an erroneous benchmark of 991. The Texas Workforce Commission later submitted corrected data, establishing a revised benchmark of 6,772.

Jobs Retained definition: The number of job positions retained as a direct result of training through the Skills Development Fund and the Self-Sufficiency Fund.

Benchmark (established by data submitted for 2004 report): 12,715¹⁵

Jobs Retained: 17,371

Data: 15,894 jobs retained due to Skills Development Fund training and 1,477 jobs retained due to Self-Sufficiency Fund activities.

Change from data reported in 2004-2005: 36.62%

Explanatory Information: The Texas Workforce Commission (TWC) has reported to the LBB that more trainees than anticipated successfully completed training in Skills Development Fund projects. As a result, many other employers that were not participating businesses benefited from Skills Development Fund training. TWC also noted that with regard to the Self-Sufficiency Fund, participating businesses exceeded the training requirements specified in their contract agreements.

The Texas economy gained additional jobs through economic development programs administered by the Economic Development and Tourism Division in the Office of the Governor. Data on the jobs gained through these programs, including the Economic Development Bank and domestic expansion and recruitment, are captured as 'Jobs Announced'. Due to definitional differences, Jobs Announced data are not combined with Jobs Created data from the Skills Development and Self-Sufficiency Funds and, therefore, are not included in the System report card. For Jobs Announced data, refer to page 27.

¹⁵ *Jobs Retained* – Incorrect data was published in the 2004 report, resulting in the establishment of an erroneous benchmark of 20,059. The corrected benchmark of 12,715 is published in this report.

SYSTEM ACCOMPLISHMENTS (TIER 3)

Strategic Action Plans

Strategic Action Plans (SAPs) are the high-level plans that identify the major tasks, milestones, timeframes and performance measures necessary for achieving the 22 Long Term Objectives (LTOs) and/or system goals outlined in *Destination 2010*. Typically, SAPs span multiple years and assign accountability to system partner(s) for each major task or milestone. They are driven by the LTOs, Critical Success Factors, Partner Strategy Statements and overall Mission of the strategic plan.

Two types of SAPs are included in *Destination 2010*:

- ▶ *System* – System SAPs affect the overall workforce development system and require a high degree of support and collaboration across system partners. They are directly linked to the system LTOs, crossing all three Key Performance Areas: System Processes, Integration and Infrastructure; Customers; and System Capacity Building.
- ▶ *Agency* – Agency Action Plans (AAPs) apply to the actions and responsibilities of one or more partner agencies. They are linked to the programmatic LTOs in the Customer Key Performance Area and affect a subset of the overall system through the delivery of direct programs and services.

Actions and Outcomes

SAP – *The Council Chair creates, enables and implements Council Advisory Committee that deploys cross agency teams to ensure system collaboration and integration. Committee will be appointed by Q1/04 and will resolve a subset of at least 3 cross system issues by Q4/07.*

Background – Operational since December 2003, the System Integration Technical Advisory Committee (SITAC) was established by the Council Chair to oversee implementation of the system strategic plan, *Destination 2010*. SITAC is chaired by the Vice Chair of the Council, with nine other members representing partner agencies and the Texas Association of Workforce Boards.

- ✓ **2005 Action** – SITAC is authorized to create and deploy cross-agency teams in order to attain collaborative solutions to issues associated with the system strategic plan's LTOs. During 2005, work continued on six priority LTOs.

SAP – *All system partners and associated workforce service providers will participate in the scope and development of a system-wide universal information gateway designed to provide a consistent and universal framework for all system customers and provider information on system projects, services and solutions. System providers will achieve uniform utilization by Q4/05 and uniform utilization by TWDS customers by Q2/06.*

Background – The TexasWorkExplorer.com website is being developed as a web information gateway that will serve as the primary information source about the workforce system. The site is not intended to replace partner agency or local board websites but rather to provide an overarching information source for internal and external customers – providing ready access to consistent and accurate information about available programs and services.

- ✓ **2005 Action** – Following a collaborative planning and design effort, the pilot site came online in January 2005.

System partners drafted an outreach plan that identified four priority stakeholders groups: local workforce boards and centers; partner agencies; business development entities; and educational institutions and entities. A series of focus groups is being held with stakeholder group representatives in order to obtain feedback related to the site's structure, usability and accessibility.

Multiple enhancements are planned for the site, based in part on focus group feedback. As that work continues, system partners will continue regular site reviews in order to maintain and update their respective content areas.

SAP – *Increase system-wide, the number of employers using TWDS products and services by a percentage growth rate to be determined, by Q4/09.*

Background – To increase employer use of available programs and services, efforts must be made to overcome lack of awareness of, and confidence in, available programs and services. Programs must be created or modified in ways that simplify access and procedural requirements.

As work proceeds, a standard definition of 'use' will need to be determined in order to establish growth rate goals. This SAP is closely linked to several other System and Agency Action Plans, with progress expected to be evidenced over time.

- ✓ **2005 Action** – In 2005, an assessment of current system programs and services was compiled and distributed. The 'Employer Services' briefing paper is posted on the Council's website at www.governor.state.tx.us/divisions/twic/reports/view.

SAP – *Employer Customer Satisfaction level will achieve a to-be-determined percentage increase in the combined satisfactory and above satisfactory categories in the Council's System Employer Survey.*

Background – The Council's Employer Survey is conducted biannually with the next survey scheduled for spring 2006. Data is collected from a cross-industry sample of Texas employers, including both users and non-users of the workforce system.

- ✓ **2005 Action** – Based on 2004 survey results, the benchmark of a 4.6 (6 point scale) overall satisfaction rate was established. The target improvement rate was set at greater than or equal to a 0.1 increase.

In conjunction with its September 2005 meeting, the Council held a roundtable with a cross-section of Texas employers. The session was designed to corroborate responses from the 2004 survey and to provide direct employer feedback regarding business needs. This information will be used to make enhancements to the 2006 survey in order to better identify: usage and satisfaction trends; real and perceived barriers to system access; real and perceived gaps in services needed; and opportunities to make the survey an even more effective method for measuring workforce system usage and satisfaction levels.

SAP – *Develop, approve, fund and implement a strategic alliance business model that targets a minimum of three strategic industry clusters by Q1/06. These alliances are targeted to industries that hold long term strategic relevance to the State.*

Background – In October 2004, Governor Perry announced a long-term, strategic job creation plan designed to focus state efforts in six industry clusters: advanced technologies and manufacturing; aerospace and defense; biotechnology and life sciences; information and computer technology; petroleum refining and chemical products; and energy.

- ✓ **2005 Action** – As part of the cluster initiative, representatives from industry, academia, economic development and trade associations developed recommendations on improvements to education, workforce training, transportation and regulatory policies. Input was obtained from meeting discussions, an electronic survey, interviews and a series of regional forums.

Final reports from the six cluster teams have been disseminated, and the team chairs presented their findings to the Governor in September. While each team made specific recommendations for policy or project implementation, common themes were identified and partner agencies are working to identify and prioritize action steps for 2006.

SAP – *Expand existing program or create a new program that enables employers to directly, readily and accountably access funds for new hire or incumbent worker training by Q2/05.*

Background – The Skills Development Fund and the Texas Enterprise Fund, are the two primary funding sources for employer training needs, as well as relocation and expansion efforts.

- ✓ **2005 Action** – House Bill 2421 (HB 2421) enacted by the 79th Legislature in 2005 addresses the funding mechanism for the Texas Enterprise Fund and the Skills Development Fund. Employers subject to UI taxes will pay an Employment and Training Investment Assessment of 0.1 percent of wages paid; however, the initial contribution rate and replenishment tax components of the unemployment insurance tax will be reduced by 0.1 percent. The funds collected through this assessment will be deposited into a newly created holding fund and allocated according to a specific formula. The new holding fund creates a stable funding source, with established funding ratios for the Texas Enterprise Fund and Skills Development Fund.¹⁶

In FY2005 there were over 30,000 jobs announced as a result of economic development activities provided through the Texas Enterprise Fund, Economic Development Bank, and Domestic Expansion and Recruitment programs. These successful recruitment and expansion activities, which gained significant new job opportunities for Texans, were often paired with the Skill Development Fund to ensure the availability of an appropriately skilled workforce.

¹⁶ It is assumed that revenue deposited in the Holding Fund will not be available for expenditure prior to FY2007; however, revenue collection will begin in FY2006. [Legislative Budget Board Fiscal Note for HB 2421 (enrolled version), 79th Legislature, May 28, 2005]

SAP – *Design and implement a methodology and system for identifying and assessing employer needs with the first complete assessment and recommendations delivered by Q1/05.*

Background – By obtaining direct employer input, employer needs can be more readily met, and education and training options can be designed to meet future employment needs in a more effective and timely manner. These are critical as the state increases economic development activities in an effort to become increasingly competitive in today's global market.

- ✓ **2005 Action** – The cluster initiative directly relates to this LTO as the assessment process provided input and recommendations from industry, academic, economic development and trade representations. Recommendations that relate directly to education and workforce training are under consideration for priority implementation in 2006 by partner agencies.

In addition, the Council gathered valuable information during its September 2005 employer roundtable. As noted previously, the information will be used to enhance the Council's 2006 employer survey that is designed, in part, to assess employer needs.

As the workforce system continues its demand-driven focus, the local boards have established Business Services Units, and continue to expand the variety of available online, in-house and on-site services. Over the past year, the local boards coordinated with their Business Services Units to track employer needs through WorkInTexas.com, the Texas Workforce Commission's Internet employer/jobseeker tool.

SAP – *Develop system to review workforce education programs and make recommendations to revise or retire them as appropriate to the current and future workforce needs identified in coordination with employers. This system capacity will be operational by 2008.*

Background – The timely provision of demand-driven education and training is essential to the state's future economic success. Such options are needed to support the needs of secondary and postsecondary students and incumbent workers. In addition, the ability to meet the training needs of employers is a valuable economic development/recruitment resource.

The Council collaborates with the Texas Higher Education Coordinating Board and the Texas State Leadership Consortium for Curriculum Development (TSLCCD) to ensure that the state's community and technical colleges have the information needed to meet the emerging needs of Texas employers.

- ✓ **2005 Action** – TSLCCD developed a process and product guide to facilitate the development of statewide curricula. Additionally, TSLCCD makes annual recommendations to the Texas Higher Education Coordinating Board on the development of technical education programs/courses that have statewide relevance. Information about this guide, as well as technical education forecast information produced by the Texas State Technical College system, is available on the TSLCCD website: www.tslccd.org.

Next steps for this LTO will evolve as work proceeds on the industry cluster initiative. In addition, information obtained during the September 2005 employer roundtable and spring 2006 employer survey will provide valuable insights.

SAP – Increase the awareness, access rates, participation, and relevance of services to small and mid-size businesses throughout the State. The results of these efforts will achieve an increase in usage (to be determined) of TWDS products, services, and solutions by a date to be specified.

Background – Economic Development and Tourism and the Texas Workforce Commission provide a variety of employer services, including many targeted to small and mid-size businesses. An overview of current services is provided in the previously-referenced 'Employer Services' briefing paper.



2005 Action – Economic Development and Tourism's Small Business section assists small and historically underutilized businesses (HUBs). Following the initial session in June, Small Business Summits are now held at various Texas locations to provide information on topics such as financing growth and expansion, HUB certification, finding qualified employees and doing business with the state.

The Texas Business Portal (www.business.texasonline.com) website was launched in March 2005, simplifying the process of fulfilling state reporting and licensing requirements. In 2005, the 79th Legislature enacted Senate Bill 96, which provides for the expansion of Internet services by requiring each state agency to make all forms available online. No-fee access is to be developed for all business permits and occupational licenses listed on TexasOnline (www.state.tx.us), the official website for the State of Texas.

Additionally, HB 2421 requires TWC to consider giving priority to training incentives for small businesses when awarding Skills Development Fund grants.

ADULT BASIC EDUCATION AND LITERACY

Mandate and Background

Senate Bill 280¹⁷ (SB 280) mandates that the Council facilitate the efficient delivery of integrated adult education services in Texas, in part by evaluating the adult education and literacy services administered by the Texas Education Agency (TEA) and the Texas Workforce Commission (TWC). The Council is directed to develop and implement immediate and long-range strategies for any identified problems, including those related to duplication of planning efforts and lack of client information sharing.

As part of its annual report to the Governor and Legislature, the Council is required to report on the results of measures taken to address any identified problems. This represents the second annual report to the Governor and the Legislature.

Since the enactment of SB 280, the Council and its adult basic education (ABE) partners have worked to identify issues, document and report on the status of key areas within ABE in Texas and develop an action plan that outlines long-term strategies for improvement.

In December 2003, the Council published *A First Look at Critical Issues Surrounding Adult Education and Literacy in Texas*. Viewed as an initial evaluation, the report was designed to provide the basis for further research, evaluation and strategy development. By evaluating the programs and administrative structures of the three applicable partner agencies – TEA, TWC and the Texas Higher Education Coordinating Board (THECB) – the report focused on funding, outcomes and service delivery. It described the current environment, program accountability, delivery structure, performance data, program coordination and projected future environment. In addition, the Council identified gaps and service barriers and presented two recommendations with six strategies each.

At the request of the three partner agency Commissioners, the Council agreed to facilitate an ABE planning group comprised of members from TEA/Texas LEARNS¹⁸, TWC and THECB. The group's goal was to develop a concise, outcome-focused plan that addressed the goal and four associated strategy areas. The three agencies created a multi-strategy 'Adult Basic Education in Texas – An Architecture for System Enhancement' plan (tri-agency plan).

The tri-agency plan served as the foundation for revisions to the Strategic Action Plan (SAP) that addresses ABE in the system strategic plan, *Destination 2010*. Endorsed by Commissioners from the three agencies in August 2004, the tri-agency plan addressed many of the recommendations from the Council's report *A First Look at Critical Issues Surrounding Adult Education and Literacy in Texas*. However, one key area – integrated and collaborative planning – was not fully addressed.

In November 2004, the three agencies were reconvened by the Council in order to consult with group members on revising the primary SAP that addresses the delivery of ABE services. Using the tri-agency plan as a basis, the SAP was revised and included additional actions from the Council's 2003 recommendations to strengthen collaborative planning efforts. The revisions contained both short- and long-term strategies and actions, with high-level timelines, that the partner agencies are responsible for implementing.

¹⁷ 78th Legislature; codified in Texas Government Code § 2308.1016. Effective September 1, 2003.

¹⁸ Under an agreement with TEA that was effective August 1, 2003, Texas LEARNS assumed operational functions of adult and community education including: nondiscretionary grant management, program assistance and other statewide support services to Texas' adult education and family literacy providers. TEA retained responsibility for all discretionary, policy and monitoring functions.

Key Actions

The Council approved the revised SAP in December 2004 and assigned ongoing oversight responsibility to the System Integration Technical Advisory Committee (SITAC), the Council committee charged with implementation of the system strategic plan. The revised SAP was included in the 2005 Update to *Destination 2010*, which was approved by the Council in March 2005 and subsequently signed by the Governor. One of the most complex SAPs in the plan, it contains 16 major tasks.

During 2005, significant progress was made with regard to SAP refinement and implementation. The three agencies worked together to identify the lead and resource agencies for each task and also provided a detailed listing of interim outputs, with associated dates. In addition, a structured reporting format was developed and the three agencies began providing regular updates at bi-monthly SITAC meetings.

In late summer 2005, TWC hosted a three-day workforce forum that centered around adult education and workforce literacy topics. The three agencies worked together to plan and implement the forum and a pre-conference meeting for local board and ABE directors. During the events, information was collected on specific SAP tasks that are related to local service delivery, and results were shared with all forum participants. After additional input is received, the agencies will incorporate ideas into their planning efforts and continue to support and facilitate local collaboration efforts.

Specific actions presented below are grouped by the agencies' four overarching goal areas:

Collaborative Planning

- ▶ *State and Local Communication* – Communication and planning efforts have increased among the three partner agencies, as well as with local adult education and workforce service providers. In addition to the forum mentioned above, the agencies established email distribution lists and a website that will be used to gather input for ongoing planning efforts and to distribute best practices information.
- ▶ *Joint Planning Efforts* – Federal and state-level plans are submitted to partner agencies for review and comment and all three agencies participate in P-16 Council activities.
- ▶ *Compliance Checks* – Compliance with federal and state statute and regulations is monitored through TEA's compliance review of every continuation and competitive grant application.

Segment Customers and Increase Service Options

- ▶ *Management Information System* – TEA's management information system has been revised to improve data collection for tracking student completions, goal setting and performance measurement. Training has been held and the new system has been operational since late August 2005. Historical data was migrated for reporting purposes.
- ▶ *Funding Mechanisms* – TEA is building on a U.S. Department of Education (DOE) study of states with performance-based or incentive funding. Of 10 states identified, an in-depth study of three is in progress with a report expected in 2006. Texas LEARNS representatives met with two of the states to discuss successes and challenges. Research will continue, with a task group to be convened after DOE findings are released. The group will be charged with developing strategies and evaluating options, with implementation recommendations to be presented to the TEA Commissioner late next year.

- ▶ *Customer Analysis* – Focus groups and interviews were conducted with adult learners, adult education practitioners and employers to collect information to be incorporated in planning efforts for multiple SAP strategies.
- ▶ *Job Seeker Services* – To obtain input for prioritization of ABE services for job seekers, input is being solicited from local board staff and ABE directors. A best practices guide will be compiled and distributed by TEA and TWC, to include successful ABE service models for job seekers and examples of industry-specific curricula. Presentation of such models will be scheduled for future ABE conferences and workforce forums.
- ▶ *Distance Learning* – TEA is participating in DOE's multi-year Project IDEAL¹⁹ that was established to develop training materials and web-based tools for learners, as well as teacher training materials. In a related effort, the participating states will be making recommendations regarding the counting of distance learning hours for reporting and evaluation efforts.
- ▶ *Transition to Higher Education* –

A FY2004 Perkins-funded project²⁰ ended in August and results are being disseminated by THECB. The project was designed to create a model for GED students to transition from ABE programs to technical certificate and associate degree programs using a method similar to the Tech Prep model.²¹

TEA is working with the GO Centers²² to disseminate information about transition of ABE learners to postsecondary education.

Increase Employer Access and Utilize Industry Approaches

Data collection and planning efforts are underway for several related initiatives, including:

- ▶ *Employer Services* – Ideas regarding service offerings for employers have been collected through telephone interviews with employers and discussion sessions at the TWC workforce forum. Work will continue by TEA and TWC to facilitate the implementation of allowable services at the local level.
- ▶ *Incumbent Workers* – TEA/Texas LEARNS hired a contractor who has gathered data and made recommendations related to customized workplace ABE/ESL services for incumbent workers.
- ▶ *Outreach Strategies* – Information gathered at the TWC forum will be further discussed and best practices information will be distributed to local boards and ABE service providers.

¹⁹ U.S. Department of Education-supported project: Improving Distance Education for Adult Learners.

²⁰ THECB – Carl Perkins Statewide Leadership Grant.

²¹ Tech Prep – a comprehensive and articulated program that offers students the opportunity to study in a career program in high school and either gain credit or experience which will assist them in their transition to higher education.

²² GO Centers were established in selected high schools as part of the THECB's statewide *College for Texans* campaign to encourage more Texans to pursue higher education. The centers provide follow-up assistance to secondary school students and parents who need academic and financial aid information to facilitate a seamless transition from high school to college.

Intensive Professional Development

- ▶ *Advisory Committee Orientation* – TEA hired an independent contractor to develop a training module to assist ABE fiscal agents with the selection and orientation of local advisory board members. Training and ongoing technical support is available through the eight Getting Results Educating Adults in Texas (GREAT) Centers.

Next Steps

Reauthorization of the federal Workforce Investment Act (WIA) of 1998 is still pending in Congress. Following reauthorization, an interagency team will be convened to collaborate on state plan development including incorporation of SAP language. In addition, work will proceed to increase consistency with regard to TEA/Texas LEARNS and TWC application and contracting processes, as well as evaluation and reporting requirements.

In addition to specific follow-up tasks noted above, work is planned for 2006 including:

- ▶ *Local Board Planning Guidelines* – TWC will be revising the local board planning guidelines, in part to require local boards to undertake efforts to strengthen the provision of ABE and literacy services with local education entities and to articulate data sharing agreements with ABE providers.
- ▶ *Workforce Literacy Resource Team* – This team will include representatives from TEA and TWC, as well as employer and local board staff. The team's focus will be to assist local areas in system integration with local boards and employer service collaboration.
- ▶ *Workforce Literacy Resource Center* – A new center will be established to assist local areas with curriculum development, resource identification, teacher training, system integration with local boards and employer services. Planning is in progress, and a Request for Proposals will be issued in early 2006.
- ▶ *Ongoing Collaboration* – Through the new literacy team and center, the three agencies plan to build on efforts instituted at the workforce forum. For example, additional ideas will be generated to define the role of ABE providers in rapid response strategies for dislocated workers.
- ▶ *Pilot Projects* – Distance education projects will be piloted in each of the eight GREAT Center regions. In addition, several industry-specific curricula have been identified and planning is underway for future pilot efforts in demand sectors.

SITAC will continue to monitor SAP implementation progress during the coming year. The plan will be modified, as applicable, to align with new federal legislative and regulatory requirements that result from WIA reauthorization.

TEXAS' LOCAL WORKFORCE DEVELOPMENT BOARD ALIGNMENT WITH *DESTINATION 2010*

Mandate and Background

The strategic plan for the Texas Workforce Development System, *Destination 2010* contains 22 Long Term Objectives (LTOs) that have associated Strategic Action Plans (SAPs) to guide implementation. The local boards are responsible partners/owners of seven of the 22 LTOs. Local board action on one LTO (i.e., Internet information gateway) has been deferred until FY2006.

Chapter 2308.101(a)(5), Texas Government Code, requires that the Council review local workforce board plans to ensure that certain requirements are met. In addition, Chapter 2308.304(b)(4) specifies that the plan must include a strategic component that sets broad goals and objectives for local workforce programs, and outcomes must be consistent with statewide goals, objectives and performance standards.

This is the first local workforce board plan for the period October 1, 2005 through September 30, 2006 in which local boards were required to demonstrate consistency with *Destination 2010*. Alignment with *Destination 2010* is evidenced by the local boards documenting in their local plans the strategies and actions that link to the six required SAPs and related LTOs.

Council staff conducted an in-depth analysis between the key components of the six required LTOs and each local board response. The goal of this analysis was to determine those strategies and actions that supported the key elements of each LTO. In addition, staff reviewed each local board's alignment of their current or planned activities and strategies to support achievement of the LTOs and Critical Success Factors outlined in *Destination 2010*.

Local boards provided:

- ▶ a narrative response identifying current and planned strategies for ensuring continued success and increased performance in job placement and job retention;
- ▶ information demonstrating the connection of local planned activities to each of the six required LTOs and a statement describing how the board plans to address the objective in the applicable program year; and
- ▶ a brief, cumulative description of past performance as related to the LTOs, if applicable.

Local boards were also encouraged to report on additional LTOs beyond the six required.

All local board plans met the Council's requirements to demonstrate alignment with *Destination 2010*. The plans were transmitted to the Governor for his approval as required under Title I of the Workforce Investment Act, the Wagner-Peyser Act and other applicable statutes.

Beginning with this planning cycle, local board accomplishments will be benchmarked. Planned local activities from the past planning cycle will be compared to what was accomplished and to what extent, by utilizing the established Council plan review process. In future plan reviews, this information will be used to assess the degree to which the local boards are effective in achieving state and local goals and objectives as related to the required LTOs.

Local Board Alignment²³

Highlighted below are examples of local board planned and ongoing activities that align to the six required LTOs:

LTO – Increase system-wide, the number of employers using TWDS products and services by a percentage growth rate to be determined, by Q4/09.

Services and strategies used by the Texoma local board to increase employer access to and usage of the system include services such as basic labor exchange, job fairs, incumbent worker training grants, employer resource room, assessments, information about reducing payroll costs, services to companies experiencing a layoff and business conferences. Additional board strategies include direct marketing by business services broker, strategic partnerships that result in direct employer contacts, networking, marketing and job development.

LTO – Employer Customer Satisfaction level will achieve a to-be-determined percentage increase in the combined satisfactory and above satisfactory categories in the Council's System Employer Survey.

The Permian Basin local board reviewed and evaluated the responses received from TWC's employer customer satisfaction survey, as well as developed a system to receive immediate feedback from employers on job seeker referrals and training needs. With the information gained and aggressive follow-up, the board expects to achieve a five percent increase in employer satisfaction during the next plan period.

LTO – Increase to a level to be determined, the percentage of persons receiving vocational rehabilitation services from HHSC who remain employed after exiting the program.

The Rural Capital Area local board has a Memorandum of Understanding with the state vocational rehabilitation agency (Health and Human Services Commission – Department of Assistive and Rehabilitative Services) that outlines the implementation of actions supporting the increase of persons receiving vocational rehabilitation services. The local board acts to ensure that core, intensive, training and follow-up services are provided as appropriate for persons with disabilities.

LTO – Design and implement a methodology and system for identifying and assessing employer needs with the first complete assessment and recommendations delivered by Q1/05.

The Middle Rio Grande local board developed a strategic workforce alliance to help the local workforce better meet the needs of region employers in identifying skill training needs and appropriate training programs.

²³ Local Workforce Development Board Plan Modifications; Plan Period: October 1, 2005 – September 30, 2006.

LTO – *Develop system to review workforce education programs and make recommendations to revise or retire them as appropriate to the current and future workforce needs identified in coordination with employers. This system capacity will be operational by 2008.*

The Cameron County local board commissioned an industry cluster analysis to identify the area's existing strengths as related to specific emerging occupations and economic trends. The commissioned study, as well as the local labor market analysis, assisted the local board in identifying high growth industries with high-demand occupations. Specific occupations are targeted on an annual basis within each of the five industry clusters identified through the study. The list of targeted occupations is compiled and made available to training providers. The local board has also developed a system for the review, approval and retiring of training programs based on this targeted list to leverage support for the cluster initiative.

LTO – *Increase the awareness, access rates, participation, and relevance of services to small and mid-size businesses throughout the State. The results of these efforts will achieve an increase in usage (to be determined) of TWDS products, services, and solutions by a date to be specified.*

The Capital Area local board continues to support the annual labor market surveys conducted for small to mid-sized businesses in order to assess and increase awareness of the available business services.

Common Board Activities

As previously noted, all local board plans demonstrated the connection of local planned activities to the related *Destination 2010* Long Term Objectives. Listed below are examples of planned or continued activities that have been, or will be, implemented by a majority of local boards:

- ▶ Designing solutions based on regional economic climate and local labor markets.
- ▶ Conducting a labor market analysis that takes into consideration demographics, industrial and occupational profiles and skills gap assessment.
- ▶ Developing an environmental scan that describes recent business activity.
- ▶ Shifting the workforce investment focus toward transferable and portable workplace skills for targeted occupations.
- ▶ Focusing efforts on small business expansion and recruitment of new start-ups.
- ▶ Funding a skills analysis for the emerging industries of biotechnology and wireless communication technology.
- ▶ Addressing previously underserved special populations such as TANF Choices – Temporary Assistance for Needy Families.
- ▶ Linking customers to both internal and external services such as job search, job training and education, job placement, child care and transportation provided by a network of state, federal and local agencies, as well as community-/faith-based organizations.
- ▶ Retaining and expanding existing business to grow its own quality workforce.
- ▶ Enhancing employer-driven workforce services that focus on individual employers rather than industries and occupations.
- ▶ Developing a service delivery model that specifies functional levels for recruitment, placement and employment services activities through process mapping.

During this planning cycle, local boards continued their outreach to employers and businesses through marketing and public relations efforts. They coordinated with their Business Services Units to track employer needs through WorkInTexas.com, an Internet employer/jobseeker tool developed by TWC. In addition, the local boards continue to enhance partnerships with organizations and entities such as employers, economic development, labor, and community-/faith-based organizations to strengthen the workforce development system.

2006 – ISSUES FOR CONSIDERATION AND ACTION

This report is the second evaluation following the implementation of several new initiatives by the Council and system partners. These include the development and implementation of:

- ▶ *Destination 2010*, the strategic plan for the workforce system;
- ▶ Formal and Less Formal performance measures; and
- ▶ the Report Card series presented in this report.

Of the five issues identified in 2004 for review or action by system partners during 2005, three have been resolved:

- ▶ Data gathering and reporting methods for accurate data sets on Less Formal measures and Strategic Action Plan benchmarks have been implemented.
- ▶ Disaggregated Customers Served data is now provided by the Texas Workforce Commission, thus allowing identification and differentiation of those individuals who receive programs and services from the Texas employers who receive services.
- ▶ A revised Strategic Action Plan for adult basic education and literacy was approved by the Council in March 2005 as part of the 2005 Update to *Destination 2010* and subsequently approved by the Governor. The Texas Education Agency, Texas Higher Education Coordinating Board and Texas Workforce Commission are proceeding with implementation and providing regular status reports to the Council's System Integration Technical Advisory Committee.

For 2006, there are two issues related to data availability and relevance that must be resolved to ensure the accuracy, integrity and utility of this report in subsequent years.

ISSUE 1

Relevant data for Community and Technical Colleges' Educational Achievement outcome.

This year's report continues to reflect the outcomes of a specific cohort across a six-year period, rather than the success of community and technical colleges in contributing graduates with completion credentials, degrees or certificates, to the Texas workforce system each year. The Council intends to continue work with the Texas Higher Education Coordinating Board in 2006 to capture the system's success as accurately measured by the awarding of certificates or associate degrees by colleges in a 12-month period. While 12-month completion rates have been noted on page 14 of this report, until this issue is resolved, community and technical college's efforts and contributions to the Texas workforce system and Texas employers will continue to be underrepresented.

ISSUE 2

Full adoption of the National Center for Education Statistics dropout rate for secondary education.

In 2007, the current definition and methodology will no longer apply as TEA changes state reporting to conform with the federal reporting requirements issued by the National Center for Education Statistics (NCES). At that time, data based on the NCES definition and methodology will be required for the previous three years so that longitudinal trends can be revised.

DATA ADDENDUM TO EVALUATION 2004: ACCOMPLISHMENTS AND OUTCOMES OF THE TEXAS WORKFORCE DEVELOPMENT SYSTEM _____

Introduction

The 2004 evaluative report marked a significant point of change for both the Council and its partner agencies in the overall approach to system evaluation and reporting. For the 2004 evaluation cycle, the Council implemented a new report card series methodology that was designed to measure performance across all system programs. The Council worked extensively with partner agencies and the Legislative Budget Board (LBB) in streamlining measures definitions, where possible, to align with existing federal common definitions as well as mirroring, to the extent possible, like LBB performance measures for the FY2006-2007 biennium.

In preparing the 2005 evaluation, some partner agencies identified a need to revise data provided for the 2004 report since system constraints and continued evolution of federal common measures had affected their ability to submit consistent, comparable data to that provided for the 2005 report.

Because many workforce programs reported by the Texas Health and Human Services Commission, the Texas Education Agency, the Texas Higher Education Coordinating Board and the Texas Workforce Commission had revised 2004 data, this data addendum to the 2004 evaluation report is provided to publish and disseminate that revised information.

Health and Human Services Commission Revised Data

Data for the 2004 report for Rehabilitation Services employment retention was not available from the Health and Human Services Commission (HHSC) – Division of Assistive and Rehabilitative Services. Additionally, the method for calculating the employment retention rate for Blind Services was revised significantly from the previous LBB methodology. With enhanced definitions in place, aligning more closely to federal common measures and new LBB measures for the current biennium, HHSC submitted revised 2004 data for Blind Services employment retention rate and previously unavailable data for the same measure for Rehabilitation Services.

Revised 2004 data is presented below:

Program	Retained Employment	Rate
Blind Services	550	85.27%
Rehabilitation Services	13,175	82.74%

Texas Education Agency Revised Data

Entered employment and employment retention data for the 2004 report has been revised for the Adult Education (WIA II) program. Both employment-related measures' data collection and wage match methods were revised to correspond to the negotiated definitions by (1) including program exiters with specific outcome goals and (2) matching against the appropriate Unemployment Insurance quarterly wage data.

Revised 2004 data is presented below:

Program	Number Employed	Rate	Retained Employment	Rate
Adult Education (WIA II)	2,298	33.01%	9,733	49.50%

Texas Higher Education Coordinating Board Revised Data

Entered employment data for the 2004 report has been revised for two programs: CTC – Academic and CTC – Technical. The data has been revised to reflect graduates only, excluding (1) core completers and (2) field of study completers²⁴.

Revised 2004 data is presented below:

Program	Entered Employment	Rate
CTC - Academic	12,011	90.66%
CTC - Technical	23,507	89.56%

In addition, annualized data for the number of certificates and associate degrees awarded by Texas' community and technical colleges was received. The revised total for the 2004 report is 50,068.

Texas Workforce Commission Revised Data

The Formal measures reported to the Council are based on the new federal common measures definitions and methodologies. When the Texas Workforce Commission (TWC) reported FY2004 data last year, the U.S. Department of Labor (DOL) had issued limited guidance regarding the more complicated aspects of these new measures and TWC had not yet built a reporting system to accommodate the new requirements.

DOL has since issued additional clarification on common measures. In addition, TWC conferred with other states in order to understand how they were addressing various challenges with the new reporting system. As a result, the agency was able to complete the development of a comprehensive common measures performance reporting system.

During development of the new evaluation and reporting system, TWC determined the data originally reported for FY2004 needed to be updated based on the more complete understanding of how to implement the measures. Determining factors included changes to (1) qualifying services²⁵, (2) status at

²⁴ Texas Higher Education Coordinating Board – Educational Data Center, Reporting and Procedures Manual for Texas Community, Technical, and State Colleges [Fall 2005]. (1) Core Curriculum Completer – A student may be reported as a core curriculum completer if the institution certifies that the student has satisfactorily completed all required elements and courses in the institution's core curriculum (including any hours transferred from other institutions). Core curriculum completers must have completed courses totaling at least the number of semester credit hours in the institution's approved core curriculum. (2) Field of Study Curriculum Completer – A student may be reported as a field of study completer if the student has satisfactorily completed all required courses in the field of study curriculum, regardless of whether or not the student has completed any optional courses that may be offered.

²⁵ Common measures are based on receiving a qualifying service during a defined participation period. At the time FY2004 data was originally reported, TWC was unable to determine which services would be considered qualifying services. Since the outcome measures are exit-based measures, the issue of what was and was not a qualifying service affected what was reported for all four Formal measures.

date of participation²⁶ and (3) universal consumer records²⁷. TWC submitted revised 2004 data for all programs and related performance measures.

Revised 2004 data is presented below:

Program	Number Employed	Rate	Retained Employment	Rate	Education Achieved	Rate	Number Served
Apprenticeship Chapter 133	-	-	-	-	2,732	77.44%	3,600
Employment Services	696,439	64.87%	813,634	79.61%	-	-	1,479,478
Food Stamp E&T	10,576	62.06%	7,758	68.67%	-	-	26,124
Project RIO - Adult	3,988	62.87%	217	65.96%	-	-	17,112
Self-Sufficiency Fund	609	82.41%	339	60.64%	165	96.49%	3,737
Skills Development Fund	12,415	94.66%	8,378	84.48%	805	99.02%	13,799
STEP	212	19.43%	-	-	-	-	1,091
TAA/NAFTA	2,268	79.52%	2,108	87.87%	-	-	7,496
TANF Choices	48,083	63.10%	27,361	69.25%	-	-	110,315
Veterans E&T	12,624	65.11%	20,388	80.89%	-	-	60,636
WIA I - Adults	17,621	89.52%	13,854	83.87%	8,618	94.08%	32,688
WIA I - Dislocated Worker	8,549	89.75%	10,035	87.83%	3,147	95.08%	18,768
WIA I - Youth	1,532	71.39%	-	-	2,913	39.07%	22,946

Summary

The revised 2004 data submitted by the four system partner agencies and reported above was used by the Council to compare and evaluate the data submitted for the 2005 evaluation report. It forms the basis for all comparative analysis included in the 2005 report.

As noted throughout the **Report Card Series** section of this report, revised 2004 data used to calculate a percentage point change across the two years is provided above.

²⁶ Another item that changed is the determination of whether a customer was unemployed at the Date of Participation (DOP). Entered employment only includes exiters who were not employed at DOP; however, many programs did not capture employment status at DOP. In the last year, TWC worked with other states and DOL to devise a methodology for deeming a person employed or unemployed at DOP, which was different from that used originally. This made a substantial difference in the entered employment numbers.

²⁷ TWC records customer data in multiple systems. Last year, these systems did not have interfaces to allow the data to be easily merged and applied to the common measures. This year there is a purpose-built reporting environment that takes data from multiple systems and creates universal customer records that truly integrate data as the common measures intend. This makes a difference in the determination of exit and outcomes since services and outcomes can be recorded in multiple systems.

Texas Workforce Investment Council
1100 San Jacinto, Suite 100
Austin, Texas 78701
(512) 936-8100
www.governor.state.tx.us/divisions/twic