

**Planning for Evaluation**

The Council is required to prepare an annual report on the implementation of the workforce system strategic plan, including an analysis of system performance. The annual evaluation report is the Council’s key strategy for fulfilling the statutory responsibilities outlined below.

Texas Government Code, Section 2308	
Annual Evaluation Report Element	How Addressed
System Strategic Plan Implementation	Plan implementation: agency action plan implementation highlights
	Performance analysis: balanced scorecard (formal and less formal measures)
Welfare to Work Initiatives	Formal measures reporting
Adult Education and Literacy	<ul style="list-style-type: none"> <li>Action plan implementation highlights</li> <li>Less formal measures</li> </ul>
Skill Standards	Status report on Council’s duty to develop the system

The evaluation report has been streamlined to focus on the core components that include system strategic plan implementation, performance and outcomes data, adult education activities, and the skill standards system. Welfare to work will be addressed through formal measures reporting and adult education by action plan reports and less formal measures.

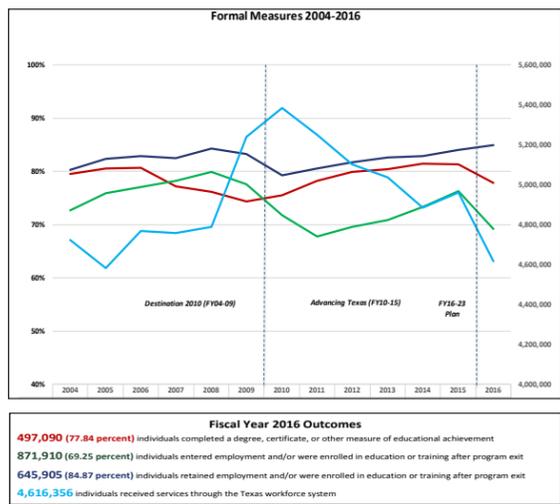
The new evaluation report format uses a balanced scorecard approved to implement and manage strategies by linking objectives, measures, and initiatives to the strategy. This helps to support performance assessment and illustrate progress by partner agencies. The report includes five components: one to address the formal measures and trend data and four based on the plan’s goal areas.



Developed by the Council and its partner agencies, formal and less formal performance measures were first approved by the Governor to allow tracking of performance trends. Four formal measures evaluate educational achievement, entered employment, employment retention, and customers served. Twenty-five less formal measures provide data on implementation of agencies’ actions to accomplish plan strategies.

The workforce system performance outcomes scorecard presents system performance outcomes based on the formal measures.

The goal area scorecards are focused on the key goal areas identified by agencies during the development of the strategic plan. Each goal area scorecard will include system objectives, partner agency strategies, and implementation highlights.



**Texas Workforce System Partners and Programs**

Texas workforce system partners collaborate to better align, leverage, and integrate system services to develop a world-class workforce and ensure a higher quality of life for all Texans through educational, employment, and economic success. Eight state agencies, local workforce development boards, community and technical colleges, local adult education providers, and independent school districts actively contribute to statewide programs and those highlighted in this report.

The table below shows the partners and primary and supporting programs that constitute the FY 2016 Texas workforce system:

FY 2016 Texas Workforce System Partners and Programs	
<p><b>Texas Department of Criminal Justice</b></p> <ul style="list-style-type: none"> <li>Postsecondary Academic and Technical Education</li> <li>Windham School District Secondary Academic Education Secondary Technical Education</li> </ul> <p><b>Texas Education Agency</b></p> <ul style="list-style-type: none"> <li>Secondary Schools Academic Education Career and Technical Education</li> </ul> <p><b>Texas Health and Human Services Commission</b></p> <ul style="list-style-type: none"> <li>Temporary Assistance for Needy Families</li> </ul> <p><b>Texas Higher Education Coordinating Board</b></p> <ul style="list-style-type: none"> <li>Community and Technical Colleges Academic Education Technical Education</li> </ul>	<p><b>Texas Juvenile Justice Department</b></p> <ul style="list-style-type: none"> <li>Secondary Academic Education</li> <li>Secondary Technical Education</li> </ul> <p><b>Texas Veterans Commission</b></p> <ul style="list-style-type: none"> <li>Veterans Employment and Training</li> </ul> <p><b>Texas Workforce Commission</b></p> <ul style="list-style-type: none"> <li>Adult Education and Literacy</li> <li>Apprenticeship Training, Chapter 133</li> <li>Blind Services</li> <li>Choices Program for TANF Adults</li> <li>Employment Services</li> <li>Rehabilitation Services</li> <li>Self-Sufficiency Fund</li> <li>Senior Community Service Employment Program</li> <li>Skills Development Fund</li> <li>Supplemental Nutrition Assistance Program Employment and Training</li> <li>Trade Adjustment Assistance/NAFTA</li> <li>Workforce Innovation and Opportunity Act Adult Dislocated Workers Youth</li> </ul>



**Texas Workforce System Program Directory: A Guide to Funding and Programs Related to the Texas Workforce System** catalogues the many programs constituting the Texas workforce system into one publication. A companion document to the system strategic plan and the annual evaluation report, it details workforce development programs and related academic programs administered by the state’s workforce system partner agencies. A concise reference for policy makers and stakeholders, the directory is distributed to system partners and stakeholders and is posted on the Council’s website.



**Annual Report  
Fiscal Year 2016  
September 1, 2015–August 31, 2016**

**About the Council’s Role in the Texas Workforce System**

The Texas Workforce Investment Council (Council) was created in 1993 by the Governor and the Texas Legislature to promote the development of a well-educated and highly skilled workforce in Texas. The Council assists the Governor and the legislature with strategic planning, research, and evaluation to support continuous improvement of the Texas workforce system. In addition to its responsibilities in state law, the Council functions as the State Workforce Investment Board under the federal Workforce Innovation and Opportunity Act. The Council does not operate programs but works to foster collaboration and a systems perspective among its partners and their programs. Its impact is demonstrated through initiatives that improve outcomes for workforce customers—employers and current and future workers of Texas—every one of whom is critical to Texas’ economic success.

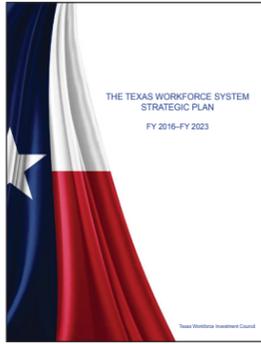
The Texas workforce system delivers programs, services, and initiatives administered by eight agencies, local workforce development boards, school districts, community and technical colleges, and local adult education providers. The Council’s eight partner agencies are: Economic Development and Tourism within the Office of the Governor, the Texas Department of Criminal Justice, the Texas Education Agency, the Texas Health and Human Services Commission, the Texas Higher Education Coordinating Board, the Texas Juvenile Justice Department, the Texas Veterans Commission, and the Texas Workforce Commission.

There are 19 members on the Council. The Governor appoints 14 members representing business, organized labor, education, and community-based organizations. The remaining five members are ex officio representatives of the Council’s member state agencies.

The Council produces this annual report, which offers highlights of the Council’s work during the past fiscal year (FY). Included in this year’s report is information on the first year of *The Texas Workforce System Strategic Plan FY 2016–FY 2023*, as well as evaluation of system programs.

The Texas workforce system strategic plan and other Council products referenced in this report are posted on the Council’s website at <http://gov.texas.gov/twic>.

## Planning System Progress



In Texas Government Code, one of the primary responsibilities of the Council is to develop and recommend to the Governor a single strategic plan for Texas' workforce system that identifies the tasks, timelines, and responsible partners for each system objective. **The Texas Workforce System Strategic Plan FY 2016–FY 2023** was approved by the Council in September 2015. The plan was developed with system partners and focuses on the critical long-term objectives that have been identified as crucial to align the system or to reduce gaps and redundancies. The plan is intended to guide system partners in implementing strategies related to workforce programs, services, and initiatives designed to achieve the strategies, system objectives, and goals that are outlined in the plan. The plan outlines six system objectives and action plans for implementation by workforce system partners to ensure achievement of outcomes specified in the plan.

The Workforce Innovation and Opportunity Act of 2014 was enacted on July 22, 2014. This legislation passed Congress with a bipartisan majority and is designed to help job seekers access employment, education, and training in order to achieve success in the workforce. The Council is charged with assisting the Governor in developing the **Texas combined state plan under the Workforce Innovation and Opportunity Act (PY 2016 – PY 2019)** to ensure the planning process is completed in a transparent manner, and in consultation with a variety of workforce partners. Texas submitted a four-year combined state plan following the Council's approval of the state plan in February 2016 and its recommendation to the Governor for approval.



**The Texas Skill Standards Board (TSSB)** was abolished and its powers and duties were transferred to the Council on September 1, 2015. The Council is now charged with maintaining the statewide system of industry-defined and industry recognized skill standards for major skilled occupations that provide strong employment and earnings opportunities and require less than a baccalaureate degree. The Guidelines for the Development, Recognition, and Usage of Skill Standards and Guidelines for the Texas Skill Standards Based Program Recognition were approved by the Council, and 43 skill standards that were previously recognized by TSSB were recognized by the Council.

The Council launched the **industry-based certification system initiative** to identify and track third-party, industry-based certifications to increase the workforce system's capacity to produce workers with these credentials. The initiative is based on research performed by Council staff on third-party, industry-based certifications for middle-skill science, technology, engineering, and mathematics (STEM) occupations in Texas. The Council engaged a task group to analyze the certifications for these occupations to develop a system to identify and track these certifications.

The Council has two rules in Title 40, Part 22, Chapter 901, of the Texas Administrative Code: Procedures for Considering Redesignation of Workforce Development Areas and Appeal of Decision on Designation or Redesignation. A **rule review** revealed that the original justification for the rules continues to exist and that all names, citations, and references are current. The rule review was adopted in September 2016.

## Evaluating System Progress



The Council is required by Texas Government Code, Chapter 2308, to monitor the state's workforce system. Annually, the Council reports to the Governor and legislature on the degree to which the system is achieving the state and local workforce goals and objectives of Texas' workforce system strategic plan, *Advancing Texas: Strategic Plan for the Texas Workforce System (FY2010-FY2015)*. **Evaluation 2015** is the sixth and final comprehensive workforce system report under this strategic plan. Significant accomplishments and performance data for 19 workforce programs, as well as five secondary and postsecondary academic education programs, are included.

The Council is charged with the approval of the **Texas combined state plan under the Workforce Innovation and Opportunity Act (PY 2016 – PY 2019)**. The strategic element of the plan describes the state's visions, goals, and strategies for preparing an educated and skilled workforce to close the skills gap and meet employer needs. The operational element of the plan describes each program and the operating systems and policies that support implementing the strategies. In June 2016, the Council approved a modification to the combined state plan to incorporate required changes in the strategic and operational elements of the plan.

Texas Government Code directs the Council to evaluate the effectiveness of the workforce system. The Council contracted with the Public Policy Research Institute at Texas A&M University to administer an **employer survey**. The objective was to analyze at the regional level the types of workers needed, the qualifications and skills required, and what types of job openings are difficult to fill. These issues were determined by examining how employers perceive the availability of a variety of worker characteristics against the requirements of existing openings, including technical skills, soft skills, credentials, qualifications, or certifications.

Texas state agencies that administer workforce programs must demonstrate **strategic plan alignment** with the Texas workforce system strategic plan. The agency strategic plans, submitted in June and July, were evaluated and results were reported to the Council. The level of detail provided by the agencies varied; however, all outlined the key actions, strategies, and anticipated outcomes to be achieved during the plan period to ensure alignment.

The Council is responsible for making **apprenticeship funding formula recommendations** related to the distribution of available funds in the next fiscal year for the apprenticeship programs funded under Chapter 133 of the Texas Education Code. The Council considers the rate of reimbursement for contact hours made to training providers in apprenticeship programs, funding for new and existing apprenticeship programs that have not yet received Chapter 133 funds, and apprenticeship instructor training. On February 4, 2016, the Council approved, and transmitted to the Texas Workforce Commission for action, the recommendations of the Apprenticeship and Training Advisory Committee.

## Conducting Research

The Council supports system planning, implementation of the system strategic plan, and evaluation through a suite of research products and news updates that are distributed to members, system partners, and workforce stakeholders, and which are available on the Council's website. The Council's primary products include the strategic plan for the workforce system, evaluation reports and resource publications, reports on critical emerging issues, and recommendations to the Governor.



**Veterans in Texas: A Demographic Study** details the demographic characteristics of the veteran population in Texas. Many veterans possess valuable technical skills, leadership abilities, and the numerous soft skills (such as time management, team orientation, strong work ethic, etc.) that are in high demand by employers and the Texas economy. The Texas workforce system must ensure that veterans successfully transition to employment following their military service.



Similarly, individuals with disabilities experience numerous challenges linked to participation in the labor force. **People with Disabilities: A Texas Profile** details the characteristics of this population. It illustrates how individuals with disabilities are a valuable resource for employers, enhance workforce diversity, and strengthen the Texas labor market. Home to the second-largest number of individuals with disabilities in the nation, the Texas workforce system must support employment opportunities for this population.

**Policy News Highlights** is a quarterly review of selected reports relevant to the policy and research functions of the Council. Through summaries of recent publications, the newsletter provides an overview of current topics, trends, and issues affecting the workforce and the workforce system.



**Defining Middle-Skill STEM Occupations in Texas** is the research that informed the **industry-based certification system initiative**. Council staff developed a research framework for and established a definition of middle-skill STEM occupations. The research identified STEM-classified occupations from 11 different sources from nine federal, state, and institutional organizations based on the Standard Occupational Classification (SOC) system. Each source considered a different number of occupations as STEM. In all, 257 out of 840 detailed SOC occupations were considered STEM by at least one source. Federal designations regarding typical education and training levels for entry were combined with the list of STEM occupations to identify jobs that are considered middle-skill. From the original list, 85 were identified as middle-skill STEM occupations. An additional 12 middle-skill classified jobs were determined to be STEM-related. In all, the research identified a total of 97 middle-skill STEM occupations in Texas. The next step is for the task group from the industry-based certification system initiative to analyze and develop a system for determining certification and value to Texas employers for these occupations.