

Evaluation 2004

Accomplishments and Outcomes of the Texas Workforce Development System

Texas Workforce Investment Council
December 2004

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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 2005

Ann Hodge, *Chair*

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Director

Dear Fellow Texan:

The Texas Workforce Investment Council (Council) is pleased to present this 2004 evaluative report on Texas' Workforce Development System. Approved unanimously by the Council at its December 10, 2004 meeting, this report marks a significant point of change for the Council in its approach to system evaluation and reporting. Both the structure and content of this report represent a departure from previous system evaluation reports that the Council has published.

This year's report is streamlined, with the focal point being a series of report cards that capture at both the program and system levels those critical outcomes that the Texas workforce system delivers through the efforts and actions of seven partner agencies and the delivery arms of those agencies – local workforce development boards and workforce centers, community and technical colleges, correctional facilities for adults and youth, and independent school districts across our great State.

In this report you will find information on 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 Workforce Development System*
- Local Workforce Development Board activities and alignment
- Action and achievements relative to Adult Education (SB 280, 78th Legislature)

I hope that you find the report informative in understanding the achievements of the Texas workforce development system and I trust that you will appreciate the fact that the system, through the delivery of over 20 programs, served almost five million Texans in the last reporting year.

I commend this report to you.

Ann Hodge, *Chair*

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REQUIRED EVALUATION

The Texas Workforce Investment Council (Council) is an advisory body to the Governor and the Legislature with statutorily mandated responsibilities for workforce development system strategic planning, oversight, review, evaluation and reporting. The 19-member Council includes representatives from business, labor, education and community-based organizations.

The Texas Workforce Investment Council is required by Chapter 2308, Texas Government Code, to monitor the Texas workforce development system and to report annually to the Governor and the Legislature on the degree to which the system is effective in achieving state and local workforce goals and objectives. State statutes specify four components to be included in the system evaluation:

- Formal and Less Formal measures
- Implementation of *Destination 2010: FY2004-FY2009 Strategic Plan for the Workforce Development System*
- Local Workforce Development Board activities and alignment
- Action and achievements relative to Adult Education (SB 280, 78th Legislature)

THE TEXAS WORKFORCE DEVELOPMENT SYSTEM

The Texas Workforce Development System is comprised of member and partner agencies and local workforce development boards. The Council's five member agencies are the Texas Workforce Commission (TWC), Texas Education Agency (TEA), Texas Higher Education Coordinating Board (THECB), Economic Development and Tourism Division in the Office of the Governor (EDT) and Texas Health and Human Services Commission (HHSC). Other system agency partners include the Texas Department of Criminal Justice (TDCJ) and Texas Youth Commission (TYC).

System partners deliver approximately 25 programs and/or services to three participant groups with diverse needs: adults, adults with barriers and youth.

System Changes

Government reform legislation passed in 2003 by the 78th Texas Legislature (Regular Session) consolidated several human service agencies and functions under the Texas Health and Human Services Commission (HHSC). Workforce programs of both the Texas Rehabilitation Commission (TRC) and the Texas Commission for the Blind (TCB) are now in the Department of Assistive and Rehabilitative Services (DARS) under the authority of HHSC. Similarly, the Texas Department of Economic Development joined the Office of the Governor as the Economic Development and Tourism Division (EDT).

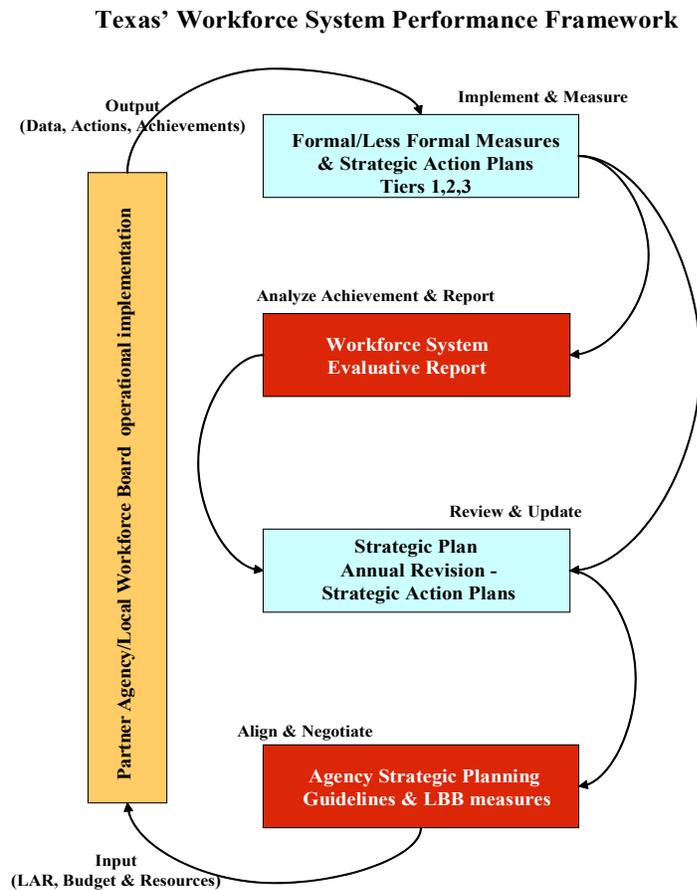
EVALUATION FRAMEWORK

In FY2004, in conjunction with the development of *Destination 2010*, the Council adopted a three-tier evaluation hierarchy that is one part of an overall system performance framework shown in the graphic below. The top right “Implement and Measure” box references these evaluation tiers, which are comprised of metrics that were developed to evaluate both workforce system performance as well as achievement towards the long term objectives in the system strategic plan. Evaluation tiers 1 and 2 consist of Formal and Less Formal measures, respectively, and are reported in a series of *report cards* in this evaluative report. The third tier of the framework consists of Strategic Action Plans (SAP) and progress milestones towards the long term objectives referenced above. These achievements are noted in the “Narrative of System SAP Accomplishments” section of the report.

This measurement hierarchy is one of five components that constitute Texas’ Workforce System Performance Framework. The framework, illustrated below, depicts the inputs, outputs, and planning and evaluative components that together form the cycle of planning, evaluation and implementation that the Council engages in with its system partners.

Key:

- Gold = delivery/yields
- Red = formal evaluative actions and course correction
- Blue = planning actions and impacts



DESTINATION 2010

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

The plan covers a six-year timeframe and aligns with the existing Texas Strategic Planning and Performance Budgeting System as well as pending reauthorization of federal workforce legislation. The dynamic nature of the system planning and implementation process provides for annual evaluations of progress and recommendations for further action. An update to *Destination 2010* was approved by the Governor in April 2004.

MEASURES

Measures and definitions were negotiated with partner agencies in the development of *Destination 2010* and approved by the Governor in October of 2003. Definitions and methodologies were determined by the Council and its partners during the 2004 biennial agency strategic planning process and in consultation with the Governor's Office of Budget, Planning and Policy and the Legislative Budget Board. Only Tier 1 Formal measures appear in an agency's Legislative Appropriations Request (LAR) and may or may not be a Key measure in the LAR.

Tier 1 - System Measures are outcome oriented and establish responsibility for end outcomes / outputs that are central to the success of the system and that system partners influence. System measures consist of Formal measures and are found in partner agencies' performance measures for state-based budgeting and reporting. These measures are essentially consistent across workforce programs.

Tier 2 - Strategy-Critical Measures are outcome oriented and establish responsibility for end outcomes / outputs that system partners influence and that are central to system partners' missions. Strategy-critical measures consist of Less Formal measures, typically one to two per partner agency.

Tier 3 - Capacity-Building Measures are process oriented and establish responsibility for intermediate outcomes that identify and chart achievement of steps and milestones. These measures chart progress towards achieving Long Term Objectives and workforce system integration through the implementation of Strategic Action Plans contained in *Destination 2010* and annual updates.

Measures Definitions

Entered Employment

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

Employment Retention

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

Educational Achievement

Number and percent of all program participants who obtain a degree, other credential of completion or complete the level enrolled.

Customers Served

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

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.

Educational Participation

Percentage of the Texas population enrolled in higher education (expressed as the percentage of the Texas population).

Secondary Drop-out

Percentage drop-out (annual) for Grades 7 – 12, based on the agency definitions and exclusions.¹

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.

TANF Recidivism

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

Pre-release Placement

Percentage of offenders released from TDCJ facilities into society that were employed prior to release.

Jobs Created

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

¹ Refer to Attachment 1 for the full definition and list of exclusions. Drop-out data reported to the Council will conform to the requirements of the National Center for Educational Statistics beginning in 2007, as required by Senate Bill 186, 78th Regular Session. Data received prior to that will be replaced with data with conforming definitions for the purposes of longitudinal analysis.

Jobs Retained

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

PROGRAMS IN THE REPORT CARD SERIES _____

Apprenticeship Chapter 133
Adult Education (Workforce Investment Act Title II)
Adults (Workforce Investment Act Title I)
Blind Services
CTC Academic - Community and Technical College
CTC Technical - Community and Technical College
Dislocated Workers (Workforce Investment Act Title I)
Employment Services - Wagner Peysner
Food Stamp Employment and Training
Perkins Secondary Education (Career and Technical Education)
Post-secondary (Community and Technical College - TDCJ)
Project Re-Integration of Offenders (RIO)
Rehabilitation Services
Secondary Education
Secondary Education - Academic (TYC)
Secondary Education - Technical (TYC)
Secondary Education, Windham School – Academic (TDCJ)
Secondary Education, Windham School – 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
Youth (Workforce Investment Act Title I)

REPORT CARDS

Structure

System performance is reported in a series of five report cards. The report cards contain data reported by system partner agencies for Formal and Less Formal measures. The first card in the series is a System Report Card that contains all Formal measures data in aggregate, the data sets having been combined across all programs. This card also contains all Less Formal measures data. Because Less Formal measures data are specific to a single program there is no aggregation of data.

The remaining four cards in the series consist of one card per Formal measure: Entered Employment, Employment Retention, Educational Achievement and Customers Served. Each Formal measure report card contains outcome data by program. The programs and associated data are organized in three categories: Adults, Adults with Barriers and Youth. The rationale for assigning programs to one of these three categories is to establish the greatest level of equivalency and comparability of program outcomes. All programs included in Adults with Barriers 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. Each Formal measure report card is followed by an analysis of that card.

Page 8 shows a graphic representation of the measures and report cards.

Data

Data for all Formal measures except Customers Served are presented as both an absolute number and as a percentage. Data will be presented and tracked longitudinally. Longitudinal calculations and tracking will begin in the 2005 report. All data are from the most recent reporting period available, either Fiscal Year 2003 or 2004.

Each report card has a column for the rate of change. 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-year rate that aggregates the rate of change from 2004 to the current year. In this 2004 report, the change column has been intentionally left blank because of the lack of previous year data.

A rounding convention has been applied to the Formal measures data: .01 to .04 has been rounded down to .00; .05 to .09 has been rounded up to the next highest tenth.

Limitations

➤ Data Ownership

Some member/partner agencies process their own data and some have interagency agreements with other partner agencies for processing. The raw data are confidential records owned by partner agencies.

➤ **Unemployment Insurance Records**

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 the six-month period to establish the period of data collection, plus four to five months for employers to submit the data to TWC. 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.

Another limitation related to UI data 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 leakage results 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 the employer. At the federal level, the only employer-related WIA measure has been Customer Satisfaction. WIA reauthorization, as currently proposed, will not retain this measure. Research conducted by the Council in 2001 and 2002 revealed that other states face the same problems as Texas in developing valid employer measures and measure definitions.

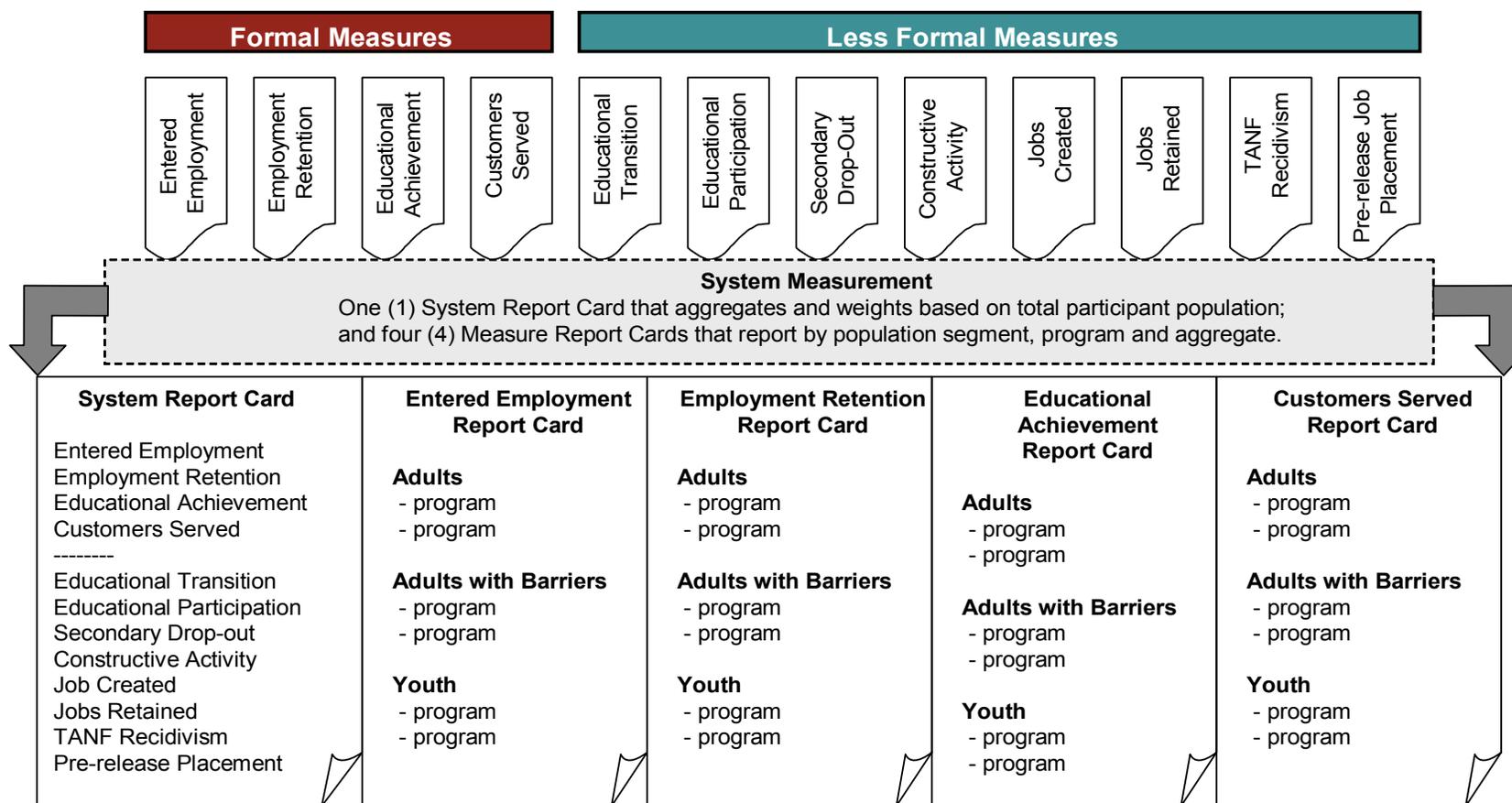
➤ **Report Card Series Data Limitations**

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 also be noted that agencies and programs have different service populations with unique needs and characteristics, which has a large effect on performance data.

While data is summarized in aggregate on the four Formal measures report cards as well as the System Report Card, 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.

Other than those noted, any limitations of specific significance to a single program are footnoted on the report card.

Report Card Structure for Evaluating and Reporting Measures



REPORT CARD SERIES

SYSTEM

The System Report Card shows the performance of the Texas Workforce Development System and includes totals (aggregated and weighted by the number of program participants) for each of the four Formal measures. The card also shows the number and percent for each of the eight Less Formal measures.

Following this System report card and in this section of the report, 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 2004 report the change column has been intentionally left blank because of the lack of previous year data.

2004 Workforce System Report Card			
Formal Measures	Actual	Percent	Change
Entered Employment	1,286,543	61.9%	%
Employment Retention	1,146,618	75.0%	%
Educational Achievement	438,245	76.4%	%
Customers Served	4,844,422	-	%
Less Formal Measures			
Educational Transition	126,246	53.0%	%
Educational Participation	1,142,165	5.2%	%
Secondary Drop-out	17,151	0.9%	%
Constructive Activity	1,309	51.3%	%
TANF Recidivism	25,585	43.7%	%
Pre-release Placement	350	1.0%	%
Job Created	991	-	%
Jobs Retained	20059	-	%

ENTERED EMPLOYMENT ²

2004 Entered Employment Report Card

	Actual	Percent	Change
Adults			
CTC Academic	15,082	91.6%	%
CTC Technical	24,580	93.8%	%
Skills Development Fund	13,665	98.0%	%
TAA/NAFTA	2,672	68.9%	%
Veterans E&T	53,106	54.3%	%
Employment Services	950,770	60.4%	%
Dislocated Workers (WIA I)	29,364	87.3%	%
Adults (WIA I)	26,409	90.0%	%
Adult Total	1,115,648	62.1%	%
Adults with Barriers			
Blind Services	1,356	75.0%	%
Rehabilitation Services	19,669	35.8%	%
Adult Education (WIA II)	5,848	17.1%	%
Food Stamp E&T	13,309	80.2%	%
Project Rio	5,931	64.8%	%
Self Sufficiency Fund	7,544	83.4%	%
STEP	212	19.4%	%
TANF Choices	38,415	74.4%	%
Adults with Barriers Total	92,293	51.7%	%
Youth			
Perkins Secondary	74,275	76.2%	%
Youth (WIA I)	4,327	75.3%	%
Youth Total	78,602	76.1%	%
Total	1,286,543	61.9%	%

² Entered employment data for Skills Development Fund and Self Sufficiency Fund are 2003 data. These data are the most recent complete data sets available due to a change of methodology in 2004 to align with federal common measures. Current data will be reported in 2005. These two entered employment data for Skills Development Fund and Self Sufficiency Fund included those individuals who, after completing training, secured employment with a participating business.

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 gainful 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 footnote.

While this is the first data point for those Formal measures approved by the Governor on October 15, 2003, a review of the Council's previous annual evaluation reports indicates that the majority of programs reporting entered employment are tracking within the longitudinal performance trend line previously established. This statement is meant to be one that acknowledges general performance of individual programs only. In previous years, performance data was reported for different groups of programs in aggregate, therefore only general comments can be made in this report.

Data

Adults

The data range for Adults is from 54.3% for Veterans Employment and Training to 98% for Skills Development Fund. Five of the eight programs reported performance at 87% or above, with the remaining three reporting 54.3%, 60.4% and 68.9%.

Adults with Barriers

The data range for Adults with Barriers is from 17.1% for Adult Education to 83.4% for Self Sufficiency Fund participants. The entered employment data for Adult Education is based on the actual goal stated by the participant at the beginning of the program. Because the actual number of learners with employment as a goal was only 4,100 of the 24,000 program exiters who were determined to be employed (UI match), the percentage appears very low. However, there were another 11,900 program exiters who were also employed that did not list employment as a goal and therefore are not counted in the entered employment numbers.

Data for Rehabilitation Services noting entered employment of 35.8% may appear low due to the closing of cases in FY2004 that have been pending and counted in previous data sets. These cases were closed where a program consumer would not or could not work. Entered employment for this program typically is in the low 50%, which is consistent with national vocational rehabilitation program averages. Despite the closing of cases and a lower performance percent, only approximately 1200 fewer rehabilitation clients entered employment in FY2004 than in FY2003.

Other data for Adults with Barriers tended to migrate towards the range between 64.8% and 80.2%.

Youth

Youth data indicated consistent entered employment outcomes at 75.3% for WIA Title I and 76.2% for Perkins Secondary (Career and Technical Education).

Total

Of the 2,078,342 program participants, 1,286,543 (or 62%) entered employment.

EMPLOYMENT RETENTION³

2004 Employment Retention Report Card

	Actual	Percent	Change
Adults			
CTC Academic	8,340	82.2%	%
CTC Technical	19,628	88.2%	%
Skills Development Fund	-	-	%
TAA/NAFTA	1,401	80.8%	%
Veterans E&T	74,316	76.8%	%
Employment Services	909,153	75.2%	%
Dislocated Workers (WIA I)	17,872	71.6%	%
Adults (WIA I)	13,112	77.2%	%
Adult Total	1,043,822	75.5%	%
Adults with Barriers			
Blind Services	591	88.2%	%
Rehabilitation Services	-	-	%
Adult Education (WIA II)	11,030	58.7%	%
Food Stamp E&T	6,040	58.9%	%
Project Rio	292	51.1%	%
Self Sufficiency Fund	-	-	%
TANF Choices	19,937	60.7%	%
Adults with Barriers Total	37,890	60.0%	%
Youth			
Perkins Secondary	64,906	76.9%	%
Youth Total	64,906	76.9%	%
Total	1,146,618	75.0%	%

³ There are no reportable data for employment retention for the Skills Development Fund or the Self Sufficiency Fund due to a change of methodology in 2004 to align with federal common measures. Data will be reported in 2005.

Data for Rehabilitation Services employment retention is not available for this report. New data collection processes were established in 2004 to gather information on this previously unreported and uncollected program measure. By 2005 sufficient time will have elapsed to allow for reporting of both current and longitudinal retention numbers.

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 gainful 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 footnote.

While this is the first data point for those Formal measures approved by the Governor on October 15, 2003, a review of the Council's previous annual evaluation reports indicates that the majority of programs reporting employment retention are tracking within the longitudinal performance trend line previously established. This statement is meant to be one that acknowledges general performance of individual programs. In previous years, performance data was reported for different groups of programs in aggregate, therefore only general comments can be made in this report.

Data

Adults

The data range for employment retention for Adults is from 71.6% for Dislocated Workers to 88.2% for Community and Technical College Technical programs (workforce education). All of the seven programs reported performance in the 70% and 80% ranges, with a segment total of 75.5%.

Adults with Barriers

The data range for Adults with Barriers is from 51.1% for Project RIO to 88.2% for Blind Services. Blind Services has had Employment Retention performance from 89% to 92% over the past three years. If this program's data is disregarded for the purposes of comparing other performance within this segment, all other programs cluster in the range of 51.1% to 60.7%. The total, including all program outcomes, for this population segment is 60.0%.

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 for FY2003 by over 10%.

Total

Of the 1,529,679 program participants who entered employment, 1,146,618 (or 75%) retained employment.

EDUCATIONAL ACHIEVEMENT⁴

2004 Educational Achievement Report Card			
	Actual	Percent	Change
Adults			
CTC Academic	12,439	21.1%	%
CTC Technical	7,973	23.2%	%
Apprenticeship Chp133	2,732	77.4%	%
Skills Development Fund	13,665	98.0%	%
Dislocated Workers (WIA I)	2,675	94.4%	%
Adults (WIA I)	8,649	94.6%	%
Adult Total	48,133	39.3%	%
Adults with Barriers			
Adult Education (WIA II)	6,039	54.1%	%
Post-secondary	2,019	27.4%	%
Secondary Windham Academic	4,397	79.0%	%
Secondary Windham Technical	6,040	73.7%	%
Self Sufficiency Fund	7,544	83.4%	%
Adults with Barriers Total	26,039	63.0%	%
Youth			
Perkins Secondary	111,412	79.1%	%
Secondary Education	251,702	95.5%	%
Youth (WIA I)	1,793	65.4%	%
Secondary Academic (TYC)	1,185	48.9%	%
Youth Total	366,092	89.4%	%
Total	438,245*	76.4%	%

* unduplicated

⁴ Educational achievement includes participant outcomes for both educational and training programs. Data subsets (duplicates) include Post-secondary. The card total has been adjusted to provide an unduplicated count.

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; therefore the longitudinal data sets include Certificate, Associate and higher degrees.

Educational achievement data for Skills Development Fund and Self Sufficiency Fund are 2003 data. These data are the most recent complete data sets available due to a change of methodology in 2004 to align with federal common measures. Current data will be reported in 2005.

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 footnote.

While this is the first data point for those Formal measures approved by the Governor on October 15, 2003, a review of the Council's previous annual evaluation reports indicates that the majority of programs reporting educational achievement are tracking within the longitudinal performance trend line previously established. This statement is meant to be one that acknowledges general performance of individual programs. In previous years, performance data was reported for different groups of programs in aggregate, therefore only general comments can be made in this report.

Data

Adults

The data range for Adults is from 21.1% for Community and Technical College Academic programs to 98.0% for Skills Development Fund programs. The six programs reported performance in three ranges: 1) 23.2% and below, 2) 77.4%, and 3) 94.4% or above, with a segment total of 39.3%.

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; therefore the data sets include Certificate, Associate and higher degrees. While this data does reflect 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 a Certificate, Level-Two Certificate, Associate Degree or Advanced Certificate by colleges. In the last year over 48,500 Community and Technical College credentials were awarded. This number is more than double the completions reported under the current longitudinal definition. For this reason, the Council will work with the THECB in 2005 to re-define the measure so that it is a more accurate representation of educational achievement in Texas' Community and Technical Colleges.

Adults with Barriers

The data range for Adults with Barriers is from 27.4% for Post-secondary to 83.4% for the Self Sufficiency Fund. The five programs reported performance in two ranges: 1) 27.4% to 54.1%, and 2) 73.7% to 83.4%. In this population segment 26,039 individuals, or 63.0% of participants, achieved educational outcomes.

Youth

Youth data includes four programs. The data range for this population is from 48.9% for Secondary Academic (TYC) to 95.5% for Secondary Education, with two mid-range data points of 65.4% and 79.1%. In the Youth segment 366,092 individuals achieved educational outcomes. This constitutes 89.4% of the number served.

Total

Of the 573,654 program participants, 438,245 (over 76%) achieved an educational outcome. Post-secondary performance numbers of 2,019 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 set, thereby providing important contextual information.

- Career Schools and Colleges awarded 43,513 certificates.
- For all Windham Secondary enrollments, 34.2% completed the level enrolled.
- An additional 2,331 persons were enrolled in post-secondary academic and workforce training through a federal Youthful Offender Grant. Of those served, 1,123 were successful in gaining a certificate or degree, including short course completions.
- Of the 404,518 enrollments in Secondary Education and Secondary Career and Technical Education, 147,780 were in Tech-prep.
- Adult Education students completed the level enrolled at a rate of 40%. There were 122,820 students who completed the initial assessment and remained enrolled past 12 hours class-time, the federal point at which an enrollment is counted in the denominator. Taken with the number of customers served, this indicates a rate of only 6.8% attrition for those that complete the assessment but do not stay in class until the 12 hour formal enrollment point.

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CUSTOMERS SERVED⁵

2004 Customers Served Report Card		
	Actual	Change
Adults		
CTC Academic	263,501	%
CTC Technical	166,274	%
Apprenticeship Chp133	3,600	%
Skills Development Fund	13,944	%
TAA/NAFTA	7,172	%
Veterans E&T	119,154	%
Employment Services	1,602,816	%
Dislocated Workers (WIA I)	33,683	%
Adults (WIA I)	34,500	%
Adult Total	2,244,644	%
Adults with Barriers		
Blind Services	10,236	%
Rehabilitation Services	116,340	%
Adult Education (WIA II)	131,804	%
Food Stamp E&T	26,073	%
Project Rio	19,516	%
Self Sufficiency Fund	9,045	%
STEP	1,091	%
TANF Choices	106,732	%
Post-secondary	7,363	%
Secondary Windham Academic	71,072	%
Secondary Windham Technical	11,989	%
Adults with Barriers Total	511,261	%
Youth		
Perkins Secondary	867,538	%
Secondary Education	1,195,530	%
Youth (WIA I)	22,932	%
Secondary Academic (TYC)	5,788	%
Secondary Technical (TYC)	4,092	%
Youth Total	2,095,880	%
Total	4,844,422*	%

* unduplicated

⁵ Customers served data for Skills Development Fund and Self Sufficiency Fund are 2003 data. These data are the most recent complete data sets available due to a change of methodology in 2004 to align with federal common measures. Current data will be reported in 2005.

Customers served include both individuals and employers. Beginning in 2005, the Council will work with agencies to report distinct data sets for these two groups.

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 first data point for this Formal measure approved by the Governor on October 15, 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 Texas Workforce Development System.

Data

Adults

The data range for Adults is from 7,172 customers served by the Trade Assistance Act/North American Free Trade Act to 1,602,816 customers served by Employment Services through Local Workforce Development Boards' workforce centers.

The nine programs in this segment reported serving 2,244,644 individuals.

Adults with Barriers

The data range for Adults with Barriers is 1,091 customers served for Senior Texans Employment Program to 131,804 customers served by Adult Education and literacy programs.

The eleven programs in this segment reported serving 511,261 individuals.

Youth

The data range for Youth is 4,092 customers served through Secondary Technical programs administered by the Texas Youth Commission to 1,195,530 customers served by Secondary Education.

The five programs in this segment reported serving 2,095,880 individuals.

Total

Partners in the Texas Workforce Development System served 4,844,422 individuals – nearly 5 million Texans.

LESS FORMAL MEASURES AND ESTABLISHING BENCHMARKS (TIER 2)

Agency Action Plans

This 2004 report will establish a benchmark for each Less Formal measure from which to evaluate future performance. Less Formal measures are those measures specified in Texas Government Code, Section 2308.104, which are critical to the implementation of the workforce development system strategic plan. The eight Less Formal measures presented and discussed below were approved by the Governor in October 2003 and were derived from the Agency Action Plans contained in *Destination 2010*. These action plans apply to actions and responsibilities at the individual agency level and are linked directly to the programmatic Long Term Objectives (LTO) contained in the *Customers* Key Performance Area.

Actions and Benchmarks

Customer Long Term Objective: 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 at critical points in the continuum of education to employment, including:

Agency Action Plans:

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

Secondary Drop-out definition: Percentage drop-out (annual) for Grades 7 – 12, based on agency definitions and exclusions (Attachment 1).

Secondary Drop-out Benchmark: 0.91%

Data: 17,151 individuals counted as a drop out from a population of 1,891,361.

- 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.

Educational Transition Benchmark: 53.02%

Data: 126,246 individuals counted as transitioning from a population of 238,109.

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

Educational Participation definition: The percentage of the Texas population enrolled in higher education (expressed as the percentage of the Texas population).

Educational Participation Benchmark: 5.16%

Data: 1,142,165 individuals counted from a Texas population of 22,118,509.

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

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

TANF Recidivism Benchmark: 43.68%

Data: 25,585 individuals counted as returning to TANF from a population of 58,569.

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

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

Pre-release Placement Benchmark: 0.99%⁶

Data: 350 individuals counted as obtaining employment prior to release from incarceration, from a population of 35,458.

- Increase constructive activity rate (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.

Constructive Activity Benchmark: 51.31%

Data: 1,309 youths counted as continuing on to additional education or employment from a population of 2,551.

⁶ This percent represents the 350 Project RIO participants, from a population of 35,458, who were employed prior to release from the Texas Department of Criminal Justice. While the percent appears to be low, it may be attributed to the fact that this is a new initiative, for which data collection only began in early 2004 and thus does not constitute an entire fiscal year data set.

- Achieve job growth increases⁷.

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

Jobs Created Benchmark: 991

Data: Skills Development-funded training resulted in 25 new jobs, while Self Sufficiency-funded training resulted in 966 new jobs.

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

Jobs Retained Benchmark: 20,059

Data: Skills Development-funded training resulted in the retention of 12,690 jobs, while Self Sufficiency-funded training resulted in the retention of 7,369 jobs.

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 Job Announced.

Due to definitional differences, Jobs Announced data are not able to be combined with Jobs Created data from the Skills Development and Self Sufficiency Funds and are therefore not included in the System report card. For Jobs Announced, refer to page 25.

⁷ The numbers in Created and Retained contain those jobs that were a direct result of Skills Development Fund and Self Sufficiency Fund training programs. Data is from FY2003. These data are the most recent complete data sets available due to a change of methodology in 2004 to align with federal common measures. Current data will be reported in 2005.

NARRATIVE - SYSTEM STRATEGIC ACTION PLAN ACCOMPLISHMENTS (TIER 3) _____

Strategic Action Plans

Strategic Action Plans (SAPs) are the high-level plans that identify major steps, milestones, timeframes and performance measures necessary to meet Long Term Objectives and/or system goals articulated in *Destination 2010*. SAPs typically span multiple years as well as assign accountability to partners for each action and milestone. SAPs are driven by the Long Term Objectives (LTOs), Critical Success Factors, Partner Strategy Statements and Mission of the strategic plan. A total of twenty-two (22) LTOs were identified during the strategic planning process.

There are two types of strategic action plans: System and Agency. System SAPs impact the system as a whole and include multiple partners. System SAPs are directly linked to the 10 System LTOs and fall within the three Key Performance Areas (KPA) of: 1) *System Processes, Integration and Infrastructure*, 2) *Customers* and 3) *System Capacity Building*. The Agency Action Plans, which apply to actions and responsibilities at the individual agency level and are linked directly to the Customer programmatic LTOs, were presented in the previous section of this report.

Actions and Outcomes

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

- √ **Action:** *The System Integration Technical Advisory Committee (SITAC) was established by the Chair and convened on December 1, 2003 as the mechanism for implementation of coordinated agency actions to address System SAPs. SITAC is chaired by the Vice-Chair of the Council and the 10 members represent their respective agency or entity in the workforce system. The committee is responsible for coordinating, monitoring and evaluating progress towards successful resolution of issues and achievement of Long Term Objectives. Work is underway on four LTO priority issues.*

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.

- √ **Action:** *Following an eight-month period of collaborative planning, a pilot website was available on October 28, 2004 for partner agency review. The domain name is *TexWorksExplorer.com* and will be operational in December 2004 after partner review and finalization of all page links. All partners have agreed to maintain their respective content link; the intended outcome is not to supplant each agency or local board's web portal. Rather, the aim is to provide one over-arching "information*

center” that can serve as a gateway for internal and external system customers to quickly access and provide consistent, current and accurate information about the services offered by system partners.

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

- √ **Expected Outcome:** *Overcome lack of awareness, understanding of or confidence in system capabilities among employers through communication, marketing, and adding value, thereby generating system outcomes relevant to employers. Specific programs will be developed to simplify access, internal system processes, and the use of the system by small employers. Adoption of a standard definition of “use” will impact the measure of performance. The results and outcomes of this SAP will occur over time as the other SAPs are implemented.*

SAP: Employer Customer Satisfaction level will achieve an increase in the combined satisfactory and above satisfactory categories in the Council’s System Employer Survey.

- √ **Action:** *The Council administered its biennial Employer Survey in Spring 2004. The survey response was increased from 800 in 2001 to 2400 in 2004. The survey asked employers about five key components of the workforce system. These were (1) hiring and retaining employees, (2) workforce centers, (3) community and technical colleges, (4) customized training and (5) workplace literacy.*

Four issues cut across multiple survey topics within the key components. These were (1) ease or difficulty in meeting needs regarding workers, (2) importance of the workforce system programs and services, (3) employers' awareness of or interaction with the workforce system and (4) employers' satisfaction with workforce system programs and services. The overall satisfaction rating was 4.6 (6 point scale).

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.

- √ **Action:** *Significant actions have been taken to address increased employer involvement and ensure that the system is relevant, agile and responsive to market needs. The Texas Workforce Commission, the Economic Development and Tourism Division (Office of the Governor) and the Texas Workforce Investment Council worked together during 2004 to identify industry clusters that hold strategic significance for the future economy of Texas. Texas’ target cluster initiative was announced by the Governor on October 20, 2004. Work has already begun on forming cluster teams and on developing a competitive assessment for two target clusters; this work will be expanded to other clusters in the fall and winter of 2004 and early 2005. The target clusters are:*
 - *Advanced Technologies and Manufacturing, including: Nanotechnology and Materials, Microelectromechanical Systems, Semiconductor Manufacturing and Automotive Manufacturing.*
 - *Aerospace and Defense.*

- *Biotechnology and Life Sciences.*
- *Information Technology and Computer Technology, including: Communications Equipment, Computing Equipment and Information Technology.*
- *Energy, including: Oil and Gas Production, Power Generation and Transmission and Manufactured Energy Systems.*
- *Petroleum Refining and Chemical Products.*

SAP: Expand an 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.

- √ **Action:** *In FY 2004 the use of the Skills Development Fund from the Texas Workforce Commission has been used to address both local employer training needs and as well as domestic relocation and business expansion training needs for strategic economic growth purposes. The Skills Development Fund was successfully partnered with the Texas Enterprise Fund to assist in the creation of “deal-closing” packages that attracted high-skill, high-wages jobs to Texas. Economic development efforts by the Economic Development and Tourism Division resulted in over 21,000 Jobs Announced in Texas in FY 2004.*

SAP: Develop a 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.

- √ **Action:** *The Texas Higher Education Coordinating Board (THECB), the Texas State Leadership for Consortium for Curriculum Development (TSLCCD) and the Texas Workforce Investment Council worked together during 2004 to ensure that community and technical colleges have the relevant information needed to be able to meet emerging workforce needs of Texas employers. TSLCCD designed both a process and criteria-based deliverable that will facilitate annual recommendations to THECB on the development of technical education programs and/or courses to meet forecasted future training needs.*

The technical education forecast work and deliverables are being produced by the Texas State Technical College system. The work to date has focused mostly on advanced technologies and post-secondary training, rather than the broader spectrum of technical education and emerging skill needs. SITAC will work with THECB and TSLCCD in 2005 to determine a model of information dissemination to system partners so that all system partners benefit from the work being done.

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 of TWDS products, services and solutions.

- √ **Action:** *The Small Business Advocate in the Economic Development and Tourism Division (Office of the Governor) has briefed SITAC on its work relative to domestic expansion and recruitment, information dissemination, linkages with local workforce*

development boards and centers, and on the work that is occurring between multiple agencies to develop and launch a one-stop portal for business registration and permitting through Texas Online.

In October 2004, a SITAC representative had the opportunity to meet with the seven regional economic development liaisons from the Economic Development and Tourism Division and discuss the importance of and strategic linkages between education, workforce and economic development. These regional liaisons are located in local workforce boards, thereby making communication and collaboration between workforce and economic development staff much more effective in addressing the needs of business.

ADULT BASIC EDUCATION AND LITERACY

Mandate

The Texas Workforce Investment Council is charged with evaluating adult basic education and literacy services administered by the Texas Education Agency (TEA) and the Texas Workforce Commission (TWC), as required by Senate Bill 280 (SB 280), 78th Legislature, now codified in Section 2308.1016 Texas Government Code. The Council was directed by SB 280 to implement immediate- and long-range strategies to address any problems identified and to include in its annual report to the Governor and Legislature the results of measures taken by the Council to address problems and the implementation strategies used by each responsible agency. This section on Adult Basic Education (ABE) is the first such report to the Governor and the Legislature.

The First Year

Since SB 280 became law, the Council and its ABE partners have taken several short-term actions to identify issues, document and report on the status of key areas within ABE in Texas, and develop a draft action plan that articulates strategies for improvement for incorporation into the system strategic plan. In fulfillment of the SB 280 mandate, the Council published *A First Look at Critical Issues Surrounding Adult Education and Literacy in Texas* in December 2003. 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. Because this was an initial evaluation and the timeframe for preparation was limited, the report was broad and designed to provide the basis for further research, evaluation and strategy development. In its December 2003 report, the Council identified gaps and service barriers and presented two recommendations with six associated strategies each.

In the fall of 2003, TEA/Texas LEARNS, TWC and the Texas Higher Education Coordinating Board (THECB) held a number of meetings to identify ways that the agencies could collaborate to improve adult education programs and services. In December the three agencies distilled these ideas and discussions into a single goal with four associated strategies to be jointly implemented by the three agencies. These four strategies have been the foundation of ongoing work in 2004 and were ultimately incorporated into a Strategic Action Plan (SAP) that will be presented for the Council's consideration for incorporation into the workforce system strategic plan, *Destination 2010: FY2004-FY2009 Strategic Plan for the Texas Workforce Development System*, through the annual revision and update to *Destination 2010* in March 2005.

During the spring and summer of 2004, the staff and Commissioners of the three agencies continued to meet to more fully develop joint strategies and actions aimed at the integration and improvement of the ABE system. During this period the Council acted as process facilitator: convening meetings, drafting documents and providing follow-up on agreed actions. The result of these months of collaboration and cooperation was a draft tri-agency action plan, which aligns with most of the strategies recommended by the Council in 2003.

The workgroup and Commissioners last met on August 18, 2004, and preliminary agreement was reached by the three agencies on the tri-agency action plan.

Key Findings

Following are findings regarding the agencies' progress as measured against agencies' strategies, and as compared to the strategies proposed by the Council in its December 2003 report.

Agencies' Strategy 1 - Collaborative Planning

Substantial progress has been achieved in this area and further progress is anticipated during the coming year as TEA/Texas LEARNS and TWC work together on state and federal planning documents as they become due. The process of developing an action plan over the summer was a useful vehicle for increasing the level of collaboration. Much work remains to be done, however, in developing an ongoing collaborative relationship regarding adult education. Activities contained within this strategy align with a number of the Council's 2003 recommendations. However there were elements of the Council's recommendations about collaborative planning that were not addressed. Significant action has been taken by TEA/Texas LEARNS to address the Council's recommendation regarding consideration of performance-based funding.

Agencies' Strategy 2 - Prioritize Customers and Increase Service Options

The agencies are working on curriculum development under SB 280 that may lead to more distance learning opportunities; some e-learning projects have been initiated also. Progress in this area has been limited to date given funding limitations. Activities related to this strategy reported by the agencies partially align with the Council's recommendation regarding implementation of instructional models and formats other than the sequential, time-based model that is widely used.

TEA/Texas LEARNS and TWC have made joint presentations to various stakeholder groups at the state level and in the field. TEA/Texas LEARNS expects the exchanges of information to help develop training for Adult Basic Education – Temporary Assistance to Needy Families (TANF) teachers who may not be aware of successful strategies for the student with time limits and associated constraints. Although this may lead to instructional improvement for the TANF population, no progress was reported in areas that would significantly improve student access, as described in the Council's 2003 report and recommendations. The Council's 2003 recommendation addresses the issue of students needing year-round access to programs, including the traditional December/January break and summer months, and on weekends rather than the wide-spread current practice of following the K-12/college schedules.

Agencies' Strategy 3 - Increase Employer Access and Utilize Industry Sector Approaches

Work being done on implementing SB 280's requirement for curriculum development will partially address the agencies' Strategy 3 by providing employers with more direct access to customized workplace ABE/English as a Second Language (ESL) services. Initial implementation will be in the form of pilot projects within a limited number of industry sectors. Once funding is finalized, full implementation of the piloted curricula has the potential to benefit employers across the state.

Strategy 3 actions reported by the agencies align with the Council's recommendation regarding development and implementation of an instructional model that integrates ESL with workplace literacy and basic skills acquisition.

Agencies' Strategy 4 – Intensive Professional Development

Actions to date indicate some progress; however, there is still a need for better connection between local providers and local boards. Texas LEARNS' eight regional Getting Results Educating Adults in Texas (GREAT) centers began providing training in February 2004. Each center has a regional advisory committee made up of local program directors and training is customized to meet local needs. As the centers' capacity increases, they may be able to address training needs of local workforce center staff as well as local providers, and create linkages with local boards. There is a need for technical assistance support, as well as training and development, to improve the quality of data.

Strategy 4 activities reported by the agencies align with the Council's recommendation regarding the use of regional ABE centers and assistance to local level staff and providers.

The Next Step

The tri-agency action plan is the basis for a Strategic Action Plan (SAP) that will be presented to the Council in December 2004. This SAP identifies those strategies encompassed in the tri-agency action plan as well as additional actions required by the agencies in relation to collaborative planning from the Council's 2003 recommendations. Given the Council's approval on December 10, 2004, this SAP will become part of the March 2005 update of *Destination 2010*. The ongoing management of the issues related to this SAP will become the responsibility of the System Integration Technical Advisory Committee (SITAC), which is the statute-based committee of the Council charged with implementation of the system strategic plan.

TEXAS' LOCAL WORKFORCE BOARD NETWORK⁸

In FY2004, all 28 local boards engaged in system-building activities as well as continuing the First Generation College Student and the Achieving Performance Excellence (APEX) Grant initiatives.

Initiatives

- Collecting and distributing labor market information data to community partners.
- Collaborating with economic development entities to identify workforce development needs of potential employers from targeted industries.
- Improving the business services units within the workforce centers to outreach area businesses.
- Conducting job fairs and career days that target the health care profession and other targeted occupations.
- Providing workforce service in the rural areas throughout Texas.
- Partnering with health care institutions to provide incumbent workers necessary training to fill demand occupations.
- Conducting organizational development workshops for businesses.
- Providing rapid response assistance to companies and workers.
- Coordinating with the adult education programs.
- Providing workforce information materials/resources at the workforce centers.
- Increasing the number of job postings and job placements.
- Partnering with independent school districts to improve services to youth.
- Continuing to explore industry clusters to identify key skills gaps.

Employer and Business Outreach

Local boards are increasing their outreach to employers and businesses. An example of local board's involvement in outreach is the increasing emphasis on marketing of workforce development services to area employers. Local boards, with coordination of their Business Service Units, have conducted employer forums throughout their workforce areas.

First Generation College Student Initiative

In May 2004, Texas was awarded its fourth Workforce Investment Act (WIA) Incentive Grant for Program Year 2002 for \$3 million due to performance outcomes detailed above. The state has continued to enhance this initiative by ensuring sustainability and identifying replicable models and best practices for serving disadvantaged first generation youth through four major components: college enrollment workshops; supplemental scholarships; First Generation model programs; and distribution of career orientation materials to Texas schools.

⁸ Source: PY2004/FY2005 Local Workforce Development Board Integrated Plan Modification

Achieving Performance Excellence (APEX) Grants

APEX grew out of a U.S. Department of Labor planning grant for TWC in 2002 to develop training opportunities for current workers. After conducting surveys and focus groups, TWC created the APEX initiatives with WIA funds. These grants continue to provide new opportunities for communities, as well as for the workforce boards, to work with local businesses and training providers to enhance skills of the existing workforce. The following are examples of the three APEX capacity-building grants that received extensions for program year 2004.

Greater Austin Area \$372,136	To provide Licensed Vocational Nurse and Registered Nurse training and skills enhancement to current healthcare workers, thereby facilitating a multiplier effect to allow trainees to move up the career ladder and opening their former positions for others to assume.	Two medical hospitals as participating employers
Golden Crescent \$852,085	Assist local area employers, education entities and training facilitators to plan and develop career ladder plans.	40 employers, including medical clinics, hospitals, nursing and rehabilitation centers
Dallas \$553,047	To provide training in health care, particularly nurses training in the Dallas Board area.	30 employers, including medical clinics, hospitals, and universities

2005 – ISSUES FOR CONSIDERATION AND ACTION

This report is the first evaluation following the implementation of several new initiatives by both the Council and system partners in FY2004. These include:

- Development and implementation of *Destination 2010*, the new system strategic plan;
- Development and implementation of new Formal and Less Formal measures; and
- Development and implementation of the Report Card series in this report.

Because this is a “first of” evaluation report, the issues for consideration that follow are of two types:

- Issues regarding data accuracy, availability and relevance that must be resolved to ensure accuracy, integrity and utility of this report in subsequent years.
- Issues that pertain to system-level, multi-partner actions to ensure program success and accountability.

ISSUE 1

Accurate and relevant data for Community and Technical Colleges’ educational achievement outcome

This year’s report data reflects the success of a specific cohort across time, rather than the educational success of community and technical college students in a 12-month period, as measured by the awarding of a Certificate, Level-Two Certificate, Associate Degree or Advanced Certificate by colleges.

ISSUE 2

Full adoption of the National Center for Educational Statistics drop-out rate for secondary education

In 2007, the current definition and methodology will no longer be applicable as the agency changes state reporting to conform to the federal reporting requirements of the National Center for Educational Statistics (NCES). At that time, data based on the NCES definition and methodology will be required for the previous three years of this report so that longitudinal data trends can be re-established.

ISSUE 3

Implementation of data gathering and reporting methods for accurate data sets on Less Formal measures and Strategic Action Plan benchmarks

Due to the development and approval of new Less Formal measures in FY2004 to support the implementation of *Destination 2010*, system partners were required in some instances to begin new data gathering and reporting. FY2005, the second year of the strategic plan, should result in the full implementation and refining of these new methods, thereby producing complete 12-month data sets.

ISSUE 4

Dis-aggregation and discernment of Customers Served data to identify those individuals who receive programs and services from the Texas employers who receive services

One of the most significant challenges in evaluating system success has been and continues to be the accurate measurement of employer participation in and use of system products and services. The ability to capture the number of employer customers served will enhance system evaluation efforts. Employer customers served numbers can be combined with additional information and data from the implementation of *Destination 2010's* Strategic Action Plan on the use of system services and products by employers and data from the employer satisfaction survey to provide a more accurate and comprehensive picture of Texas' employers as system customers.

ISSUE 5

Implementation of the Strategic Action Plan for Adult Basic Education and Literacy

The Council was directed by SB 280 to implement immediate- and long-range strategies to address any problems identified and to include in its annual report to the Governor and Legislature the results of measures taken by the Council to address problems and the implementation strategies used by each responsible agency. The implementation of the Strategic Action Plan for Adult Basic Education and Literacy, which reflects the planning work done by agencies in response to the mandates in SB 280, will facilitate resolution of issues and reporting to the Governor and the Legislature.

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Definition: Secondary Drop-out

Texas Education Agency – 2004 Data

The following definition, methodology and data exclusions were provided by the Texas Education Agency (TEA), with the data sets being reported to the Legislative Budget Board as one of the agency's performance measures.

NOTE: In 2007, this definition and methodology will no longer be applicable as the agency changes state reporting to conform to the federal reporting requirements of the National Center for Educational Statistics. Senate Bill 186, 78th Regular session, added text to Texas Education Code Section 39.051, Academic Excellence Indicators, relating to drop-out rates as a performance indicator. Text added by this bill is italicized:

(b)(2) “drop-out rates, including drop-out rates and district completion rates for grade levels 9 through 12, *computed in accordance with standards and definitions adopted by the National Center for Educational Statistics of the United States Department of Education;...*”

The data currently reported by TEA for Grades 7-12 is determined by using a standard equation for all collection and reporting requirements. It is based upon drop-outs reported by school districts in the previous year divided by the total number of students enrolled in Grades 7-12 the same year.

TEA's Drop-out Definition, Data Collection and Methodology

At the end of each school year, districts report the number of drop-outs for Grades 7-12 through the Public Educational Information Management System (PEIMS).

Students in the following categories are identified as dropouts:

- Students who are absent without an approved excuse or documented transfer and do not return to school by Fall of the following year, or if he or she completes the school year but fails to re-enroll the following school year;
- Students who enter the military before graduation;
- Students from special education, un-graded, or alternative education programs who leave school;
- Students who leave school and enter a program not qualifying as an elementary/secondary school (e.g., cosmetology school); and
- Students enrolled as migrants and whose whereabouts are unknown.

Students in the following categories are not included in the drop out count:

- Students who die;
- Students who drop out as defined above, before the seventh grade;
- Students who are out of school for temporary periods with an approved excuse;
- Students showing regular attendance at a state-approved alternative program;
- Students enrolled as migrants who have a subsequent school enrollment record (i.e., a Migrant Student Record Transfer System Education Record is available);

- Students known to have transferred to another public school, adult or alternative education program, or home schooling;
- Students who move to another grade level;
- Students who enroll in college early; and
- Students transferred or assigned to another public institution or state-approved educational program.

Drop-out Data Recovery Process

The drop-out recovery process removes dropouts from the number submitted by school districts if the reported drop-outs:

- Have remained enrolled in public school somewhere in the state, according to the school district attendance and enrollment information provided through PEIMS;
- Have received a GED and appear on the GED information file at the time the recovery procedures are executed;
- Have graduated within the last year;
- Were expelled for criminal behavior occurring on school property or at school-related functions and were incarcerated;
- Were identified as a dropout in the past. A student will be counted only once as a dropout in his or her lifetime, even if the student drops out repeatedly in the future.
- Met all graduation requirements but did not pass the exit-level test; or
- Withdrew to return to their home country.

National Center for Educational Statistics (NCES) – 2007 Data

The NCES definition determines whether a student is a dropout by enrollment status at the beginning of the school year on the same day reflected in the enrollment count. NCES defines a dropout as an individual who:

- Was enrolled at some time during the previous school year;
- Was not enrolled at the beginning of the current school year;
- Has not graduated or completed a state- or district-approved educational program; and
- Does not meet any of the following exclusionary conditions:
 - Transfer to another public school district, private school, or state/district-approved educational program (including correctional or health facility programs);
 - Temporary absence due to suspension or school-excused illness; or
 - Death.

NCES collects a standard data set from every state annually and reports an annual dropout rate for those states that meet NCES requirements for data quality and comparability. Although NCES requires states to submit dropout data for Grades 7-12, the annual dropout rate that is published is a Grade 9-12 rate. States are asked to report on an October through September reporting cycle. For many states on this reporting cycle, the first day of school is operationally set as October 1; but for TEA data submissions to NCES, the date is the last Friday in October (the PEIMS snapshot date). Because of other procedural and definitional differences between TEA and NCES, NCES determined that Texas would need to recalculate dropouts for publication by NCES.⁹

⁹ *Secondary School Completion and Dropouts in Texas Public Schools 2000-2001: National Center for Education Statistics State and District Dropout Counts and Rates.* Texas Education Agency. March 2004.

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