


In FY 2021, Texas began implementing evidence- and performance-based grants in the state through a pilot for two discretionary workforce grant programs. The Building and Construction Trades and Texas Talent Connection grant programs launched new applications, selection processes, and contracting processes using an evidence framework developed in collaboration with system partners and the Results for America State and Local Workforce Fellowship. The application of models and approaches that are based upon results and supported by evidence is intended to move state and local providers past jobs churn to make resources available and free the workforce system to serve new cohorts of participants. Evidence and data gathered will be used to further test or scale models and interventions that support long term career mobility in target populations.



To ensure broad agency representation in the design of the approach, a task group including state and local grant program and contract managers defined the scope of the implementation plan and developed common language, processes, and data collection and reporting requirements.

**Encouraging Innovation While Building Evidence: A Tiered Approach**  
An evidence framework of clearly defined tiers with the required documentation of evidence for each tier was designed to encourage innovative, but less tested, program models while building evidence of effective workforce interventions. This graduated method was developed to ensure that grants remain broadly accessible to programs at all levels of the evidence continuum, as well as to recognize the different capabilities between program participants and help them adapt to the requirements of evidence-based grants. The state expects programs to improve data collection and evaluation evidence over time. A third-party evaluation of the grants outcomes is also being implemented.

 To plan implementation across multiple grant programs, system partners reviewed applications, scoring instruments, contracts, and quarterly reports for grant programs administered by the Texas Workforce Commission (TWC) and the Council. The group worked to determine where evidence would be found, how to approach the evaluation of evidence and outcomes submitted in a grant application, how to introduce the new requirements and uniformly document evidence in grant applications and contracts, and how to capture data and evidence in reports to support evaluation. A complementary set of resources was developed to support the plan.

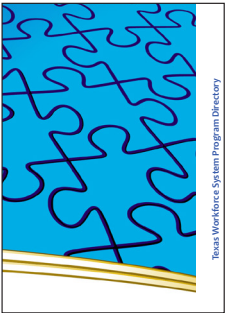
TWC integrated the evidence framework into the grant program procurement process, including definitions of performance outcomes measures across the selected grant programs, as well as program-specific measures. To incentivize the completion of key benchmarks, TWC introduced outcomes-based contracts through which grantees will be paid based upon reaching specific milestones. These contracts serve to further establish metrics, produce evidence of success and performance data, and facilitate external evaluations that demonstrate the return on investment and outcomes of policies.

Embedding evidence-based and performance-based practices in grant programs will help the state learn about the implementation, effectiveness, and cost of various approaches. Key data points will be used to begin to build the evidence base in order to focus future funding on methods that are proven to produce effective results that benefit the workforce system. Evidence-based practices support continuous, data-driven improvement as foundational elements for building system capacity. Texas continues to refine the process and evidence framework and build internal evaluation capacity and/or implement external evaluations.

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 Texas workforce system:

FY 2021 Texas Workforce System Partners and Programs	
<b>Texas Department of Criminal Justice</b> <ul style="list-style-type: none"><li>Postsecondary Academic and Technical Education</li><li>Windham School District<ul style="list-style-type: none"><li>Secondary Academic Education</li><li>Secondary Technical Education</li></ul></li></ul>	<b>Texas Juvenile Justice Department</b> <ul style="list-style-type: none"><li>Secondary Academic Education</li><li>Secondary Technical Education</li></ul>
<b>Texas Education Agency</b> <ul style="list-style-type: none"><li>Secondary Schools<ul style="list-style-type: none"><li>Academic Education</li><li>Career and Technical Education</li></ul></li></ul>	<b>Texas Veterans Commission</b> <ul style="list-style-type: none"><li>Veterans Employment and Training</li></ul>
<b>Texas Health and Human Services Commission</b> <ul style="list-style-type: none"><li>Supplemental Nutrition Assistance Program Employment and Training</li></ul>	<b>Texas Workforce Commission</b> <ul style="list-style-type: none"><li>Adult Education and Literacy</li><li>Apprenticeship Training, Chapter 133</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>Trade Adjustment Assistance/NAFTA</li><li>Workforce Innovation and Opportunity Act<ul style="list-style-type: none"><li>Adult</li><li>Dislocated Workers</li><li>Youth</li></ul></li></ul>
<b>Texas Higher Education Coordinating Board</b> <ul style="list-style-type: none"><li>Community and Technical Colleges<ul style="list-style-type: none"><li>Academic Education</li><li>Technical Education</li></ul></li></ul>	<b>Economic Development and Tourism, Office of the Governor</b>



**Texas Workforce System Program Directory (Revised February 2021)** This report provides basic information about the many programs constituting the Texas workforce system in 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.

For more information on the Texas Workforce Investment Council and its authority, please visit Texas Government Code, Section 2308.



## Annual Report Fiscal Year 2021 September 1, 2020–August 31, 2021

### 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 sixth year of *The Texas Workforce System Strategic Plan FY 2016–FY 2023 (2020 Update)* and the Council’s evaluation of system programs.

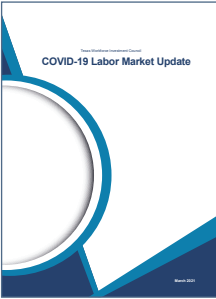
The Texas workforce system strategic plan and other Council products referenced in this report are posted on the Council’s website at <https://gov.texas.gov/organization/twic>.



**Middle Skill STEM Occupation Index (November 2021)**  
Since 2014, the Council has provided resources and defining research to support the development of the middle-skill science, technology, engineering, and mathematics (STEM) workforce in Texas. As technological advances across all industries continue to increase, the evolution of workforce skill requirements poses significant challenges to employers seeking to attract high-skilled employees that meet the changing needs of industry. The current skills gap is widening, and employers are looking to middle-skill workers to fill the gap, especially in STEM occupations. This report provides analysis and evaluation of the middle-skill STEM workforce in Texas. The report organizes the available demographic, educational, and occupational data into an index in order to establish benchmarks for this sector of the workforce. A detailed methodology describes the process used to develop and classify the list of middle-skill STEM occupations. The *Demographics of the Unemployed in Texas* report is a companion to this report.



**Demographics of the Unemployed in Texas: A Snapshot before the Pandemic (September 2020)**  
Prepared prior to the pandemic, this study provides a snapshot in time before the state experienced the significant impacts of COVID-19 on the economy and workforce. The Council closely monitors the labor market in Texas and will provide on-going analysis based upon demographics studies conducted before, during, and as the state moves out of economic challenges related to COVID-19. The level of unemployment in an area is a recognizable barometer of the economic health of a region. The report highlights several content areas related to characteristics of the unemployed population in the state. The content areas include the complete list of alternative measures of unemployment as defined by the U.S. Bureau of Labor Statistics, with state comparisons and unemployment in Texas by educational attainment, age, race/ethnicity, and sex demographics. An examination of the prolonged unemployment climate in the state and key demographic information for unemployed Texans broken out by local workforce development area provide a unique highlight of demographic and labor market characteristics in Texas. Longitudinal analysis is planned for the coming years, and subsequent updates to this report will demonstrate the impacts of COVID-19 on the workforce over time.

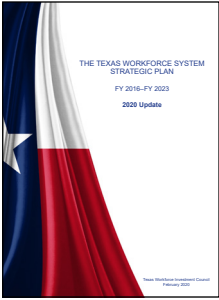


**COVID-19 Labor Market Update (March 2021)**  
Texas' economy had been thriving for decades, and the state approached 2020 with confidence, with some of the lowest unemployment rates on record and the tightest labor market seen in years. By April 2020, the global pandemic resulted in record-setting employment losses of about 1.3 million jobs in Texas. Every sector of Texas' diverse economy lost jobs. The total level of employment fell to 11.6 million, down from 13 million in two months. The state's unemployment rate rose to 13.5 percent, up from 3.5 percent in January and February 2020. This report evaluated the initial effect of the pandemic on the state's labor force. The data sets in the report can be used to assess the reaction of the Texas labor market to the pandemic, both statewide and at the local level, and the impact on Texas jobs. The civilian labor force and unemployment totals are provided for each of the 28 local workforce development areas in Texas, allowing users to visualize the timeframe and severity of local job loss.

*The Texas Workforce System Strategic Plan FY 2016–FY 2023* further elevated the system-level approach that Texas workforce system partners utilize to achieve system alignment and integration. Developed collaboratively by the Council and its system partners, the plan focuses on high-level, system objectives—many of which require multi-partner collaboration or alignment of programs, initiatives, and outcomes. To that end, and as required under Texas Government Code (TGC), Chapter 2308, the Council reports annually to the Governor and legislature on the degree to which the system is achieving the state and local workforce goals and objectives of the workforce system strategic plan.



The state of Texas comprehensively evaluates its workforce system for performance across programs and system partner alignment with the strategic plan. The Council's fifth annual evaluation report for the eight-year plan period, **Evaluation 2020: Accomplishments and Outcomes of the Texas Workforce System** (December 2020), presents a system perspective of progress and achievement. Six partner agencies submitted program-level data for 23 programs for four formal measures: educational achievement, entered employment, employment retention, and customers served. Through the delivery of multiple workforce education and training programs, state and local system partners served more than 4.5 million individuals in the last reporting year. Of those participants, more than 600,000 individuals completed a degree, certificate, or other measure of educational achievement. More than 1.2 million Texans who participated in a workforce program found a job, stayed in a job, and/or enrolled in further education or training. The report also presents data as measured by 25 less formal performance measures of system performance that are specific to the agencies' implementation of the partner strategies and demonstrate success over time.



The Texas workforce system is a complex structure composed of numerous programs, services, and initiatives administered by state agencies and local workforce boards, the Council, and other system partners. Texas has strategic planning requirements for all state agencies and local boards, and the Council is charged with the approval of workforce local board plans under WIOA and TGC §2308. Statute requires that workforce partner agencies and local boards align their strategic plans with goals and objectives of the workforce system strategic plan, currently *The Texas Workforce System Strategic Plan FY 2016–FY 2023 (2020 Update)*.

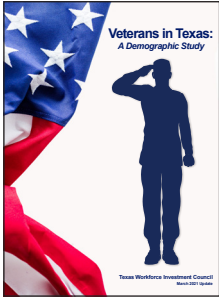
**Partner Agency Strategic Plan Review for Alignment**

On a biennial basis, each state agency is required to prepare and submit a strategic plan to the Governor's Office of Budget and Policy and the Legislative Budget Board. Statute requires that workforce partner agencies align their agency strategic plan with the workforce system strategic plan. In September 2020, the agency plans were evaluated and determined to be aligned with the goals and objectives outlined in the workforce system strategic plan, including the incorporation of action plan accountabilities and performance measures.

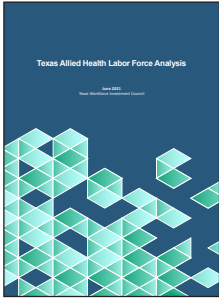
**Local Workforce Development Board Plans**

Local boards perform a critical role in the delivery of federal workforce programs and services and in the implementation of the strategic vision for the Texas workforce system. Each board is required to develop and submit to the Governor a comprehensive four-year local workforce development plan that describes strategies and local activities that are consistent with the WIOA state plan and the workforce system strategic plan. All 28 local board plans demonstrated alignment; the plans illustrated an increase in collaboration across system partners, alignment of programs and services, integration of core programs, and improved employment outcomes. The Council recommended the plans for program years 2021 through 2024 to the Governor for approval. The Governor approved the plans on July 1, 2021.

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



**Veterans in Texas: A Demographic Study (March 2021)**  
The veteran population is a valuable resource for Texas employers and the Texas economy. Many veterans have received training while in the military and possess skills and abilities that are highly valued by employers. This demographic overview of veterans for both the U.S. and Texas describes the U.S. veteran population to provide context for the analysis of Texas veterans. The Texas veteran population is then detailed with a focus on the characteristics of veteran labor force participants. Estimates indicate that approximately seven percent of the civilian population 18 years and older in Texas were veterans in 2019. The analyses presented in this study illustrate the veteran population according to age, educational attainment, reported disabilities, and other factors including industries that employ veterans.



**Texas Allied Health Labor Force Analysis (June 2021)**  
Emerging demographic, socioeconomic, and society-wide changes present challenges for the healthcare labor force. This report provides demographic and occupation-related benchmarks of allied health occupations in the United States and Texas. The report includes comparative national data and analysis of population trends, demographic characteristics, and labor market and education data for the allied health labor force. Research suggests that the demand for healthcare workers continues to rise amidst a shortage of healthcare workers in the United States. In 2019, 11,010,180 individuals made up the allied health labor force in the United States. Although the occupations identified as allied health vary, estimates suggest that anywhere from 60 to 80 percent of the U.S. healthcare labor force may be considered allied health. As the population continues to age and retire, the healthcare labor force will age and retire with it, presenting challenges to existing healthcare models.



**Mature Workers in Texas: A Demographic Study (June 2021)**  
As the American workforce continues to age, projections show that the size of the younger workforce will stay the same. The Texas population age 55 and older will account for a greater percent of the workforce in the future. This may have a significant impact on workplaces and organizations. This report provides updated information about mature labor force participants in Texas, specifically those 55 years and older. Approximately 41 percent of the Texas population age 55 and older was employed in civilian occupations in 2019. The mature population in the U.S. has grown by nearly five percent from 2010 to 2019, outpacing previous decades, and mature workers are projected to have faster annual rates of labor force growth than any other age groups. With such a large segment of the mature population remaining in the labor force over the next two decades, this study helps government leaders, policy makers, employers, and other workforce system stakeholders understand the implications for worker and skill shortages that could be associated with the impending retirement of the Baby Boomers, and develop strategies to continue to attract, retain, and retrain mature workers.