



Evaluation 2008

Accomplishments and Outcomes of the Texas Workforce Development System

Texas Workforce Investment Council
December 2008



Texas Workforce Investment Council

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Dear Fellow Texan:

The Texas Workforce Investment Council (Council) is pleased to present the *Evaluation 2008* report on the Texas workforce development system (system). The report was approved unanimously at the Council's December 3, 2008 meeting.

State statutes require that this annual report address four components:

- ▶ system and program performance based on the Formal and Less Formal measures approved by the Governor in 2003;
- ▶ a summary of how system-level action plans are being implemented by partner agencies as directed by the Council's System Integration Technical Advisory Committee;
- ▶ adult basic education and literacy activities and achievements; and
- ▶ local board activities and alignment with the system strategic plan, *Destination 2010*.

This report is a unique compilation and analysis of system achievements. Through the delivery of over 20 workforce education and training programs, state and local system partners served over 4.8 million individuals in the last reporting year, including over 442,000 that completed a degree, certificate or other measure of educational achievement. In addition, almost 1.2 million individuals entered employment while over 1.1 million retained employment.

Significantly, this fifth report found that:

- ▶ work is either completed or continuing on all 22 action plans contained in the workforce system strategic plan;
- ▶ system partners continue to improve programs and align them with goals articulated in the plan; and
- ▶ over the five-year period since plan approval, system programs have generally shown positive performance trends.

Next year's *Evaluation 2009* report will be the summative report for the *Destination 2010* strategic plan cycle. To date, Texas has shown continued economic strength during the national economic downturn; however, some areas of the state's economy may begin to reflect a slowdown in the months ahead. Such changes will be monitored and taken into consideration in our final evaluation of the workforce system strategic plan.

I commend this report to you.

Sincerely,

John Sylvester, Chair

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EVALUATION AND FRAMEWORK

Required Evaluation

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

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

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

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

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

<http://governor.state.tx.us/twic/work/>

Texas Workforce Development System

The Texas workforce development system is comprised of a number of workforce programs, services and initiatives administered by eight state agencies, local workforce development boards, independent school districts, community and technical colleges and local adult education providers. System partners include:

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

System partners are responsible for the delivery of 25 programs and services focused on education, workforce education and workforce training for three participant groups: adults, adults with barriers and youth. The Council collects and disseminates funding information and performance data on 20 workforce programs, as well as five academic education programs at the secondary and postsecondary levels. Information and data from these five programs assists in understanding the scope and effort of program delivery through high schools and community and technical colleges, and these entities' efforts to prepare students to transition to further education or enter the workforce.

Background

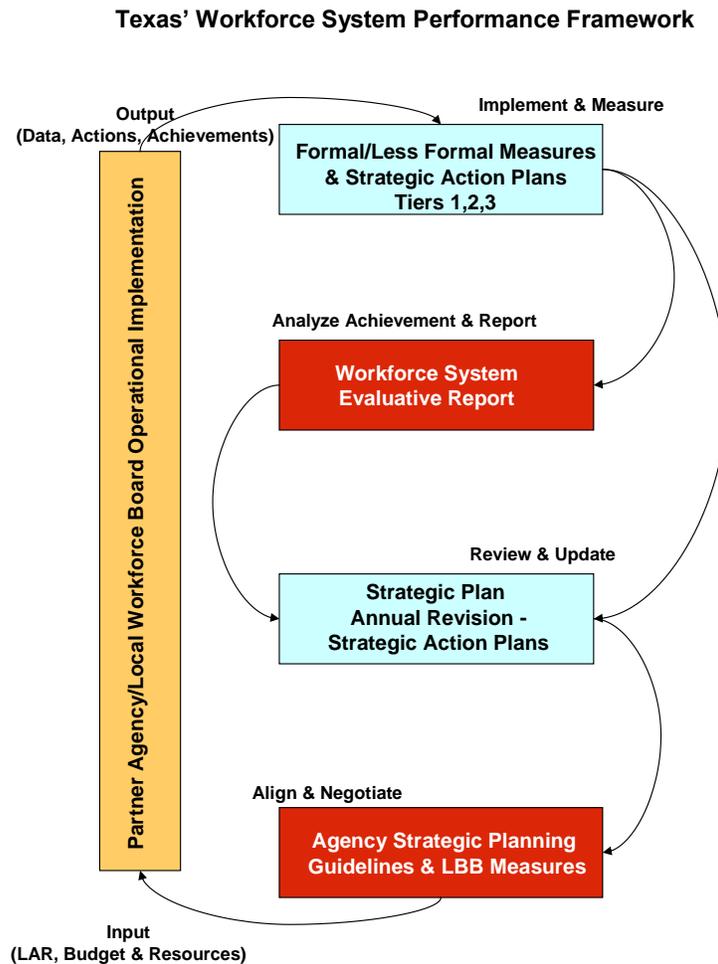
In FY 2004, in conjunction with the development of *Destination 2010*, the Council adopted a three-tier evaluation hierarchy that is one component of a comprehensive system performance framework, illustrated in the graphic below. The framework depicts the inputs, outputs, and planning and evaluative components that form the cycle of planning, evaluation and implementation that the Council engages in with its system partners.

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

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

Key:

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



Destination 2010

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

Destination 2010 was devised on a six-year timeframe to align with the existing Texas Strategic Planning and Performance Budgeting System and the anticipated reauthorization of federal workforce legislation. The plan is modified annually to indicate accomplishments and milestones achieved, and other applicable changes to the SAPs. The 2008 Update to *Destination 2010*, which includes all of the SAPs considered in this report, is posted on the Council's website at:

<http://governor.state.tx.us/twic/work/>

Measures

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

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

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

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

Measures Definitions

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

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

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

Programs in the Report Card Series

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

² Beginning in 2007, dropout data reported to the Council conforms to the requirements of the National Center for Education Statistics, as required by Senate Bill 186 (78th Legislature). Revised/estimated data for prior years was published in the data addendum to the *Evaluation 2007* report. A detailed explanation was provided as an attachment to the *Evaluation 2004* report.

Issues Identification

System partners operate in a complex, changing economic environment as they strive to provide employers, current workers and future workers with services that are comprehensive, timely and relevant. The growth of high-tech and knowledge-based industries, coupled with efforts to be competitive in today's global economy, increases employers' demand for workers with higher education levels and more technical skill sets. In addition, the state's demographic composition is changing dramatically, with the workforce projected to include larger proportions of women, Hispanics and prime-age (i.e., 25-54 years of age) workers.

The Council is charged with facilitating the development of a systemic, integrated approach to the delivery of programs and services that meet the needs of employers and individuals. In part, this is accomplished through identifying issues and working with system partners to achieve their resolution. It should be noted that the items included in the **2009 – Issues for Consideration and Action** section are limited to those that directly relate to the report's scope as outlined on page 1.

In addition to the issues outlined in this report, the Council also identifies and works to address issues related to the state's workforce development system through a variety of other mechanisms, e.g.:

- ▶ *System Integration Technical Advisory Committee (SITAC)* – Established by the Council Chair to oversee implementation of the system strategic plan, *Destination 2010*, SITAC members represent all partner agencies and the Texas Association of Workforce Boards.
- ▶ *Council Strategy Sessions* – Convened in addition to, or in conjunction with, regular Council meetings in order to identify and address systemic issues.
- ▶ *State of the Workforce Reports* – Produced periodically to address specific workforce issues.
- ▶ *Stakeholder Roundtables* – Conducted periodically to obtain feedback regarding system stakeholder needs and to assess workforce system usage and satisfaction levels.

REPORT CARDS

Data

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

Data are presented and tracked longitudinally. Longitudinal calculations and tracking began with the 2005 report. Each report card includes columns for two rates of change:

- ▶ *Change 2007-2008* – The one-year rate captures the change from the previous year to the current year. Expressed as a percentage, the rate represents the percentage point difference from 2007 to 2008.
- ▶ *Cumulative 2004-2008* – The cumulative rate aggregates the rate of change from 2004 (baseline year) to the current year. Expressed as a percentage, the rate represents the percentage point difference from 2004 to 2008.

Data Decisions and Treatment

- ▶ *Agency Negotiation* – During 2004 data definition and methodology negotiations, 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 relatedness and relevance when aggregating data across multiple programs. Collaboration with partner agencies on subsequent reports reinforced the understanding that, to the extent possible, definitions for measures used in this report align to federal common measures.
 - *Program-Level Reporting* – As required by statute, data is presented by program rather than by agency.
 - *Unduplicated Data* – In most cases, data is unduplicated and conforms to the reporting definitions and methodologies agreed to by partner agencies. For example, Educational Achievement data may include duplicate data where a participant has outcomes for both education and training programs. Where known, these instances are noted and addressed in the applicable report card section.
- ▶ *Explanation of Variance* –
 - *5% Variance* – Instances where the value in the Change 2007-2008 column was more than 5%, either positive or negative, are addressed within the appropriate report card section. This reporting is aligned to Legislative Budget Board performance measures reporting requirements.
 - *Base Values* – Significant changes in numerator and/or denominator values from 2007 to 2008, but with no resulting significant rate change, were also reviewed. Such instances are addressed in the respective report card sections.
- ▶ *Rounding Convention* – A rounding convention has been applied to the Formal and Less Formal measures data: .001 to .004 has been rounded down to .00; .005 to .009 has been rounded up to the next highest hundredth. Rounding rules are applied after completion of applicable mathematical operation(s) such as division or subtraction.

Limitations

- ▶ *Data Ownership* – Some partner agencies process their own data, while others have interagency agreements with other partner agencies for data processing. Raw data are confidential records owned by the applicable agency.
- ▶ *Unemployment Insurance Records* –
 - *Time Lag* – There is a significant delay in receiving and analyzing unemployment insurance (UI) wage records for measuring performance. For example, when looking at six-month retention factors, there is a six-month wait to establish the period of data collection, plus four to five months for employers to submit the data to the Texas Workforce Commission. This lag continues to pose significant challenges regarding timely performance measurement in other states, as well as Texas. It appears that this approximate one-year data lag will be ongoing because of the UI records delay and the time necessary for agencies to process and report the data to the Council.
 - *Coverage* – An unknown number of program exiters obtain jobs that are not covered by the Texas UI system. For example, the self-employed, those who relocate and become employed in another state, and those who live in Texas but are employed across state lines are not reported in the Texas UI database. Such non-coverage issues result in lower levels of documented employment, reflecting negatively when the efficacy of education and training programs is evaluated. Data sets that are more complete may be available in instances where the agency can utilize other databases, such as the Wage Record Interchange System, to identify employment with employers who do not file UI wages in Texas.
- ▶ *Report Card Series* – The Council believes that the report card series is a useful tool to present overall system performance. System evaluation is complex and, although the four Formal measures are appropriate to provide a system snapshot, they should not be viewed in isolation from other factors. It should be noted that agencies and programs have different service populations with unique needs and characteristics, which has a large effect on performance data. Additional limitations of specific significance to a single program are footnoted on the applicable report card.

Aggregate data are presented on the four Formal measures report cards and on the System report card. However, it is important to note that not all data definitions or methodologies are identical, thus the total should be viewed only as a good approximation of overall system performance.

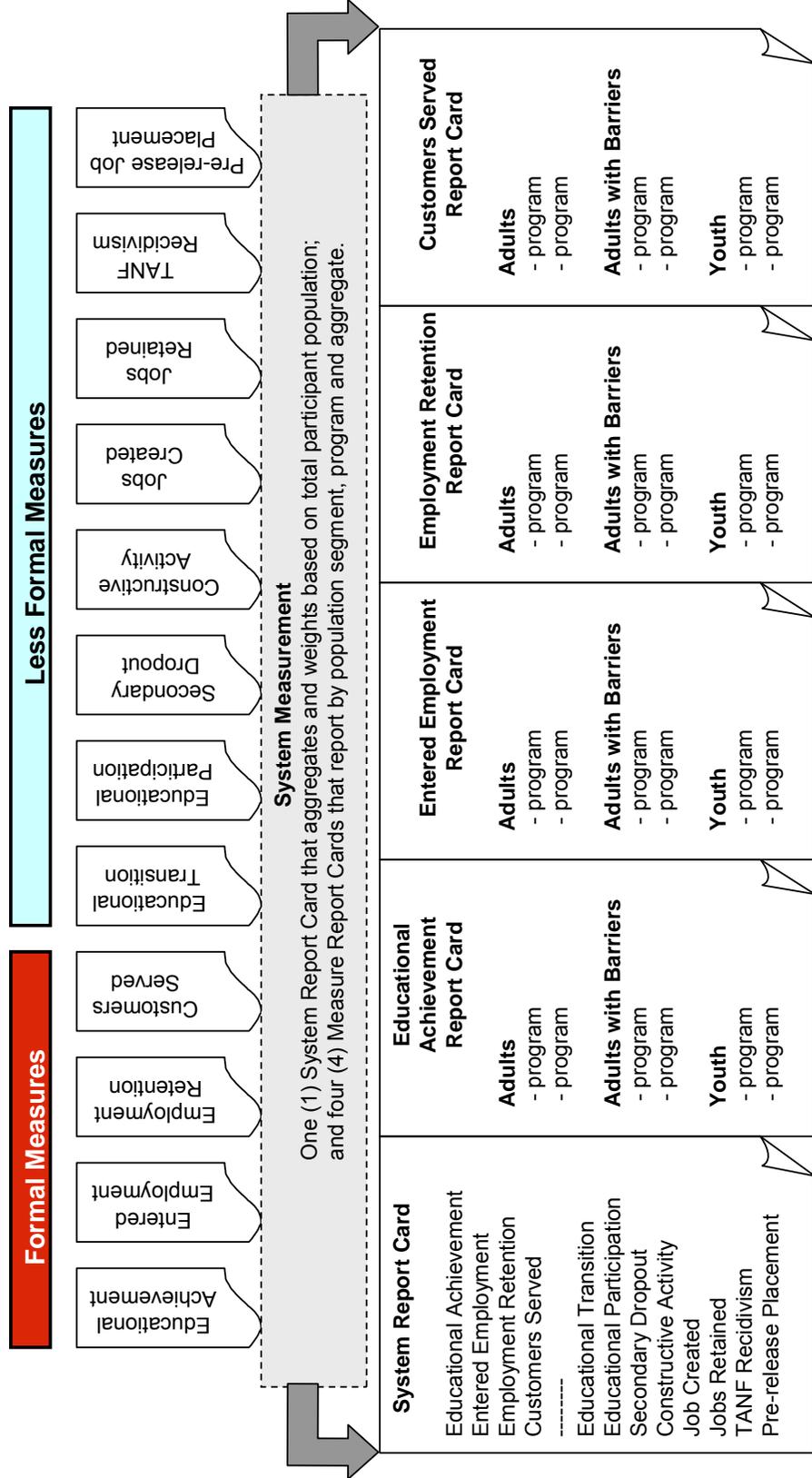
Structure

System performance is presented in a series of five report cards that contain data reported by partner agencies for the Formal and Less Formal (Tiers 1 and 2) measures. The graphic on page 9 illustrates the relationship of Formal and Less Formal measures to the report card series.

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

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

Report Card Structure for Reporting and Evaluating Measures



REPORT CARD SERIES

As with the 2004-2007 Evaluation reports, the System report card shows the performance of Texas' workforce development system and includes totals for each of the four Formal measures that have been aggregated and weighted by the number of program participants. The card also shows the number, percent, where applicable, and two rates of change for the Formal and Less Formal measures.

The System report card contains aggregate data for the four Formal measures, with the data sets combined across programs. In this 2008 report, the change columns reflect the increase or decrease between values in the 2007 report and those calculated for the 2008 report, and the cumulative change from 2004 to 2008. It should be noted that outcome decreases in the change column are positive for some programs. For example, a decrease in the number of customers served may be due to an improved economy and less need for the services offered by programs such as TAA/NAFTA, Dislocated Workers (WIA I), Food Stamp E&T and TANF Choices.

Following the System report card, a report card for each Formal measure is presented and discussed. The next section of the report presents the Less Formal measures by goal, definition, benchmark and data sets.

The Council is required by statute to report program-level data and to provide an overall assessment of implementation of the workforce system strategic plan – *Destination 2010*. As noted in the Limitations section on page 7, the aggregate data presented in the report card series should be viewed as an approximation of overall system performance.

System³

2008 Workforce System Report Card				
Formal Measures	Actual	Percent	Change 2007-2008	Cumulative 2004-2008
Educational Achievement ⁴	442,351	76.17%	-1.05%	-3.36%
Entered Employment ⁵	1,175,803	79.33%	1.12%	6.73%
Employment Retention ⁶	1,112,672	83.51%	1.15%	3.27%
Customers Served ⁷	4,811,606	N/A	0.55%	1.32%
Less Formal Measures				
Educational Transition	122,793	50.91%	-3.62%	-2.11%
Educational Participation	1,244,377	5.21%	-0.10%	0.04%
Secondary Dropout ⁸	55,306	2.73%	0.16%	Not available
Constructive Activity	1,587	58.52%	1.02%	7.20%
TANF Recidivism	7,303	38.45%	-4.43%	-5.24%
Pre-release Placement	2,436	8.60%	-0.26%	7.61%
Jobs Created	4,652	N/A	-44.17%	-31.31%
Jobs Retained	10,100	N/A	-25.79%	-20.57%

The report card series is a useful tool to present overall system performance, but the data presented should be taken in context. Most programs are designed to serve participants that meet specific eligibility criteria and that have unique needs. Accordingly, program objectives and desired outcomes vary, and approved data definitions and methodologies are program-specific. However, integrated service delivery strategies may result in duplication of customer counts across programs. The System report card contains aggregate data for all agencies' applicable programs by measure as noted on the Formal measure report cards. Due to known duplicates that cannot be removed from program-level data, adjustments have been calculated at the System level, with unduplicated data footnoted as applicable.

³ Percentage point differences reflect revised Evaluation 2004-2007 data published in the data addendum.

⁴ The aggregate Educational Achievement rate, adjusted to exclude duplicate TWC customers, is 76.06%.

⁵ The aggregate Entered Employment rate, adjusted to exclude duplicate TWC customers, is 79.19%.

⁶ The aggregate Employment Retention rate, adjusted to exclude duplicate TWC customers, is 83.89%.

⁷ The aggregate Customers Served count, adjusted to exclude duplicate TWC customers, is 4,552,602. Project RIO-Youth participants (1,011) were also excluded as they are not included in the report card series.

⁸ Beginning in 2007, data submitted by the Texas Education Agency (TEA) conforms to the National Center for Education Statistics (NCES) requirements. While TEA provided estimated data for 2004-2006, it does not conform to NCES requirements; therefore, the cumulative rate of change is not available.

Educational Achievement⁹

2008 Educational Achievement Report Card				
	Actual	Percent	Change 2007-2008	Cumulative 2004-2008
Adults				
CTC Academic	20,344	27.56%	-0.42%	6.43%
CTC Technical	10,184	24.02%	2.01%	0.80%
Apprenticeship Chapter 133	2,799	79.79%	3.85%	2.35%
Skills Development Fund	1,058	99.81%	1.57%	0.80%
Dislocated Workers (WIA I)	2,230	94.01%	0.12%	-1.68%
Adults (WIA I)	8,314	94.45%	0.79%	-0.54%
Adults Total	44,929	34.05%	-0.30%	1.84%
Adults with Barriers				
Adult Education (WIA II)	4,546	85.13%	-0.78%	34.74%
Self-Sufficiency Fund	237	97.53%	11.28%	1.04%
Postsecondary	2,090	34.66%	2.65%	7.24%
Secondary Windham Academic	5,039	82.19%	0.88%	3.18%
Secondary Windham Technical	6,050	80.03%	-0.94%	6.32%
Adults with Barriers Total	17,962	70.98%	0.44%	12.59%
Youth				
Perkins Secondary	118,587	90.63%	2.23%	-1.10%
Secondary Education	257,657	88.64%	-2.55%	-6.85%
Youth (WIA I)	4,206	75.58%	6.37%	36.70%
Secondary Academic (TYC)	1,100	44.93%	-2.75%	-3.91%
Youth Total	381,550	88.83%	-0.94%	-4.18%
Total	442,351	76.17%	-1.05%	-3.36%

⁹ Educational achievement includes participant outcomes for both educational and training programs. Data subsets (duplicates) include Postsecondary. The card total has been adjusted to provide an unduplicated count.

Educational Achievement Analysis

Educational Achievement –

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

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

Data

Adults

The data range for Adults is from 24.02% for Community and Technical College (CTC) Technical programs to 99.81% for the Skills Development Fund. Of the six programs, all but CTC Academic reported increases this year. However, CTC Academic has the largest four-year increase, rising 6.43% since 2004. The programs reported performance in three ranges: (1) 27.56% and below, (2) 79.79%, and (3) 94.01% and above, with a segment total of 34.05%. A slight decrease of 0.30% was noted for the group, while the overall performance rose 1.84% from 2004.

Community and technical college data for both Academic and Technical programs are based on a starting cohort and total awards earned within a six-year period. The data sets include certificates, associate and higher degrees. While this data reflects the success of a specific cohort across time, it does not indicate the educational success of students in a 12-month period as measured by the awarding of certificates¹⁰ or associate degrees. In academic year 2007, 58,288 community and technical college credentials were awarded, representing an increase of 16.42% since 2004. This number is almost double the completions, or graduation rate, reported under the longitudinal definition. For this reason, the Council continues to request 12-month credential data from the Texas Higher Education Coordinating Board (THECB) in order to provide a more complete representation of educational achievement in Texas' community and technical colleges.

Adults with Barriers

The data range for Adults with Barriers is from 34.66% for Postsecondary to 97.53% for the Self-Sufficiency Fund (SSF). With the exception of Postsecondary, the other programs in this group reported rates of over 80%. An overall increase of 0.44% was noted for the group, which had a four-year increase of 12.59%.

Only one program in this group had performance that exceeded the 5% variance range. SSF performance increased, rising 11.28% since 2007 and 1.04% for the four-year period. The Texas Workforce Commission (TWC) noted that more grants have been awarded that include training programs that result in transferrable certifications.

Youth

Youth data includes four programs. The data range for this population is from 44.93% for Secondary Academic (TYC) to 90.63% for Perkins Secondary. In the Youth segment, 381,550 individuals achieved educational outcomes, a decrease of 0.94% and 4.18% from 2007 and 2004 respectively.

Of the four programs, positive changes were reported for two, with the Youth (WIA I) program posting the largest gain (6.37%). Performance for the program increased for the second consecutive year, with a gain of 36.70% from 2004. TWC reported that local boards were placing customers in programs that

¹⁰ Certificates – Includes (1) Level One (15-42 semester credit hours), (2) Level Two (43-59 semester credit hours) and (3) Level Three, or Enhanced Skills (6-15 semester credit hours and attached to an applied associate degree), Certificates. [Texas Higher Education Coordinating Board, *Guidelines for Instructional Programs in Workforce Education – 2003 GIPWE*]

granted certificates that were recognized by local employers, but that were not necessarily extensively transferrable or nationally recognized. Recently, TWC clarified that only nationally recognized certificates will be eligible for inclusion in this measure; therefore, future performance may show lower rates of achievement.¹¹

Total

Of the 580,757 program participants, 442,351 (76.17%) achieved an educational outcome, a decrease from 2007 of 1.05%. Over the four-year period, performance declined 3.36%. Postsecondary completion numbers of 2,090 in the Adults with Barriers segment were subtracted from the aggregate of all programs to achieve the unduplicated performance total and percent.

The absolute number of individuals with an educational achievement outcome (numerator) also declined from 445,919 in 2007 to 442,351 this year. Of the 15 programs, seven had absolute increases, with notable changes reported for the community and technical college programs, up 2,019, and the Youth (WIA I) program, which reported an increase of 1,014.

Additional Data

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

- ▶ Career Schools and Colleges awarded 61,892 degrees and certificates, a decrease of 2.46% from the prior year.
- ▶ Of Windham Secondary enrollments, 40.47% completed the level enrolled, a decrease of 1.64% from the previous year, but a 6.24% increase for the four-year period.
- ▶ Through the Windham School District, an additional 2,175 persons were enrolled in postsecondary academic and workforce training through a federal Youthful Offender Grant. Of the enrollees, 1,674 (76.97%) gained a certificate or degree, including short course completions. The Texas Department of Criminal Justice reported that the percentage reduction (15.13%) was largely due to the new youthful offender program at the San Saba Unit. Instituted in spring 2008, the program had fairly large enrollments with few offenders obtaining a degree or certificate. In addition, fewer youthful offenders were enrolled in and completed workforce education short courses in FY 2008.
- ▶ Of the 421,511 enrollments in Secondary Education and Secondary Career and Technical Education¹², 156,632 were in Tech Prep¹³. This represents a decrease (-4.25%) from the previous year and a four-year increase of 5.99%.
- ▶ Adult Education students completed the level enrolled at a rate of 40.28%, the lowest rate since 2004. In addition, the number of enrolled adults who were assessed and had 12 hours of class time decreased for the third year, falling from 115,663 last year to 109,801 (-5.07%). This represents a four-year decline of 10.60%. The Texas Education Agency reports that fewer students are being served due to level federal and state funding.
- ▶ The THECB reported the awarding of 74,183 bachelor's degrees by public institutions, up 3.66% from the previous year and 18.91% for the four-year period.
- ▶ In addition to outcomes for publicly supported institutions, THECB reported the awarding of 392 associate and 17,390 bachelor's degrees by independent institutions.

¹¹ TWC, Technical Assistance Bulletin 179 (June 25, 2008).

¹² This number represents the combined number served for these two programs.

¹³ Tech Prep – a comprehensive and articulated program that offers students the opportunity to study in a career program in high school and either gain credit or experience which will assist them in their transition to higher education.

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Entered Employment¹⁴

2008 Entered Employment Report Card				
Adults	Actual	Percent	Change 2007-2008	Cumulative 2004-2008
CTC Academic	18,104	88.95%	-2.56%	-1.72%
CTC Technical	25,604	85.88%	-3.21%	-3.68%
Skills Development Fund	5,104	96.16%	0.62%	1.49%
TAA/NAFTA	1,901	84.19%	1.72%	5.43%
Veterans E&T	50,252	77.25%	-0.79%	7.51%
Employment Services	854,182	79.97%	1.59%	7.21%
Dislocated Workers (WIA I)	6,790	88.20%	1.27%	-1.23%
Adults (WIA I)	18,852	84.70%	-1.23%	-6.66%
Adults Total	980,789	80.34%	1.27%	6.64%
Adults with Barriers				
Blind Services	1,369	69.60%	-2.30%	-5.40%
Rehabilitation Services	11,568	58.03%	1.17%	22.26%
Adult Education (WIA II)	815	65.99%	6.37%	15.35%
Food Stamp E&T	24,900	80.87%	0.20%	9.58%
Project RIO	22,136	74.00%	-0.26%	7.39%
Self-Sufficiency Fund	1,437	94.23%	0.16%	11.82%
SCSEP	166	41.50%	5.79%	22.07%
TANF Choices	29,386	85.06%	2.17%	5.24%
Adults with Barriers Total	91,777	76.28%	0.07%	14.78%
Youth				
Perkins Secondary	96,024	73.39%	0.66%	-2.80%
Youth (WIA I)	7,213	71.12%	4.47%	19.00%
Youth Total	103,237	73.22%	0.87%	0.22%
Total	1,175,803	79.33%	1.12%	6.73%

¹⁴ Percentage point differences reflect revised Evaluation 2004-2007 data published in the data addendum.

Entered Employment Analysis

Entered Employment –

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

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

Data

Adults

The data range for Adults is from 77.25% for Veterans E&T to 96.16% for the Skills Development Fund. Six of the eight programs reported performance of over 80%. An overall increase of 1.27% was noted for this group, with a four-year increase of 6.64%.

While Veterans E&T decreased slightly (-0.79%) from 2007, it has the largest four-year increase (7.51%) and the absolute number of individuals served increased significantly, with 50,252 of 65,054 entering employment, compared to 43,451 of 55,682 last year. These increases may be partly attributable to the Texas Veterans Commission's (TVC) proactive approach, as concentrated efforts have been made to contact and provide services to veterans who may not have initially requested TVC services.

Adults with Barriers

The data range for this group is from 41.50% for Senior Community Service Employment Program (SCSEP) to 94.23% for the Self-Sufficiency Fund (SSF). Of the eight programs, four reported entered employment rates of 74% or higher. Overall performance increased slightly (0.07%) from 2007, while the four-year change rate was 14.78%.

The largest increase was reported for the Adult Education (WIA II) program, which rose 6.37% since 2007 and 15.35% over the four-year period. Of 1,235 individuals with a goal of entering employment, 815 achieved that goal. The Texas Education Agency (TEA) reported that professional development efforts might have attributed to an increased focus on participant goal setting and goal attainment. As noted in the **Data Addendum**, TEA has corrected the calculation methodology for this measure in response to advice from the U.S. Department of Education.

Project RIO (Adult) declined slightly (-0.26%), but has risen 7.39% since 2004. Notably, the absolute number of individuals increased significantly, with 22,136 of 29,913 entering employment, compared to 15,308 of 20,615 last year. The Texas Workforce Commission (TWC) continues to work with the Texas Department of Criminal Justice to implement House Bill 2837 (79th Legislature), which required improved data sharing to allow staff to more effectively identify RIO-eligible customers who are being served by the workforce system.

A one-year increase of 5.79% was reported for SCSEP, which has increased 22.07% since 2004. In 2008, 166 of 400 participants entered employment, compared to 110 of 308 in 2007 and 212 of 1,091 in 2004. TWC indicated that FY 2008 figures represented the first complete data set for the agency's new grant contractor. To date, the new contractor has been able to achieve better performance outcomes than the former contractor.

Youth

For the two programs, entered employment outcomes ranged from 71.12% for Youth (WIA I) to 73.39% for Perkins Secondary (Career and Technical Education). Performance increased 0.87% from 2007 and 0.22% over the four-year period.

Performance for the Youth (WIA I) program increased 4.47%, with a four-year rise of 19.00%. As noted last year, TWC is working to align the program with the federal vision for youth programs, focusing more on out of school youth. Such individuals are more likely to be seeking employment than education.

Total

Of the 1,482,174 program participants, 1,175,803 (79.33%) entered employment. This represents an increase of 1.12% from 2007 and a four-year increase of 6.73%. Twelve of 18 programs show increases for the four-year period, including double-digit percentage increases for five programs: Rehabilitation Services (22.26%), SCSEP (22.07%), Youth (WIA I, 19.00%), Adult Education (WIA I, 15.35%) and SSF (11.82%).

The absolute number of individuals served fell, while the number entering employment rose in 2008. The number of customers served (denominator) was 1,482,174, down from 1,501,208 the previous year. However, the number entering employment (numerator) rose slightly from 1,174,107 in 2007 to 1,175,803, with 11 of 18 programs reporting absolute increases.

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Employment Retention¹⁵

2008 Employment Retention Report Card

	Actual	Percent	Change 2007-2008	Cumulative 2004-2008
Adults				
CTC Academic	11,895	86.78%	4.17%	4.54%
CTC Technical	21,778	91.76%	2.56%	3.53%
Skills Development Fund	9,764	90.54%	-3.18%	6.06%
TAA/NAFTA	2,454	92.15%	1.28%	4.17%
Veterans E&T	47,772	85.78%	1.52%	4.34%
Employment Services	842,015	83.44%	1.37%	2.99%
Dislocated Workers (WIA I)	7,312	90.89%	2.72%	2.91%
Adults (WIA I)	26,149	88.65%	2.09%	4.19%
Adults Total	969,139	84.04%	1.39%	3.19%
Adults with Barriers				
Blind Services	623	87.13%	2.98%	1.86%
Rehabilitation Services	7,855	86.83%	-0.24%	4.10%
Adult Education (WIA II)	3,069	68.54%	0.52%	-5.07%
Food Stamp E&T	14,969	75.66%	-0.14%	6.82%
Project RIO	13,142	64.23%	-0.83%	-9.27%
Self-Sufficiency Fund	1,814	84.53%	-0.90%	23.89%
TANF Choices	19,421	75.64%	0.42%	3.32%
Adults with Barriers Total	60,893	73.98%	-1.74%	-0.23%
Youth				
Perkins Secondary	82,640	85.27%	0.51%	8.38%
Youth Total	82,640	85.27%	0.51%	8.38%
Total	1,112,672	83.51%	1.15%	3.27%

¹⁵ Percentage point differences reflect revised Evaluation 2004-2007 data published in the data addendum.

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 system programs and services that have the acquisition and maintenance of employment as a significant, intended outcome for participants. Data limitations other than those general limitations, such as time-lag of UI wage matching, are contained within the card footnotes.

Data

Adults

The data range for employment retention for Adults is from 83.44% for Employment Services to 92.15% for Trade Adjustment Assistance/North American Free Trade Act (TAA/NAFTA). Performance for individual programs varied more than in 2007, with the largest percentage changes attributed to the Community and Technical College (CTC) Academic program (4.17%) and the Skills Development Fund (SDF, -3.18%).

For the group, retention rose 1.39% in 2008, and 3.19% from 2004. Of the eight programs, seven had increases this year. For the four-year period, retention rose for all eight, with the SDF having the largest increase (6.06%).

Adults with Barriers

The data range for Adults with Barriers is from 64.23% for Project RIO to 87.13% for Blind Services, with five of seven programs reporting retention of over 75%. An overall annual decrease of 1.74% was noted for the group, with a four-year decline of 0.23%.

The Health and Human Services Commission (HHSC) previously reported making significant changes to the Rehabilitation Services program since baseline data was reported in 2004. With agreement from the federal Rehabilitation Services Administration, the Division of Rehabilitative Services has focused its efforts on serving individuals with more significant disabilities who require additional time and funding assistance to become and remain employed. Caseload sizes have been reduced to allow counselors the opportunity to provide higher quality services and work more closely with consumers. Based on full employment data for 2008, HHSC reports that the FY 2008 numbers reflect a baseline that positions the agency for increased success and future growth.

For the Rehabilitation Services retention measure, the population served (denominator) declined from 15,924 in 2004 to 9,046 in 2008, as did the number retaining employment (numerator) which was 13,175 in 2004 and 7,855 this year. Although these absolute numbers declined each of the past four years, the retention rate rose 4.10% over the four-year period, with only a slight decline (-0.24%) this year.

Employment retention for the Adult Education (WIA II) program increased slightly (0.52%) this year; however, performance has decreased 5.07% since 2004. As noted in the Entered Employment analysis and the **Data Addendum**, the Texas Education Agency (TEA) has corrected the calculation methodology for this measure in response to advice from the U.S. Department of Education. However, the 2008 data shows marked increases for both the population served (denominator) which was 1,332 in 2007 and 4,478 in 2008 and the number retaining employment (numerator), which rose from 906 to 3,069 this year. TEA reports that three factors may have contributed to the increase in the number of persons setting the goal to retain a job, and thus taken into consideration in the retention calculation:

- ▶ increased integrity of the redesigned Management Information System;
- ▶ emphasis on goal setting during statewide and regional training; and
- ▶ distinction between short term and long term goal setting as a business rule.

While 2007 to 2008 data comparisons for the Project RIO program indicated a minor decrease of 0.83%, there was a four-year decline of 9.27%. The Texas Workforce Commission (TWC) previously reported that in September 2003 the tracking system for local boards to enter Project RIO client information changed from a mainframe system to The Workforce Information System of Texas (TWIST), thereby ensuring a high degree of accuracy for data capture and reporting. Notably, the absolute numbers reported have continued to increase annually. For 2004, 760 of 1,034 served retained employment compared to 8,734 of 13,425 clients last year and 13,142 of 20,461 this year. TWC continues to work with the Texas Department of Criminal Justice to implement House Bill 2837 (79th Legislature), with improved data sharing allowing staff to more effectively identify RIO-eligible customers.

Youth

Youth data includes only one program and the performance for Perkins Secondary (Career and Technical Education) rose slightly (0.51%) from 2007. From 2004 to 2008, employment retention increased 8.38%. The absolute numbers have risen annually since 2005, with 82,640 retaining employment this year.

Total

Of the 1,332,448 program participants who entered employment, 1,112,672 (83.51%) retained employment. This represents an increase of 1.15% from 2007, and a four-year increase of 3.27%.

The absolute number of individuals served and retaining employment rose for the second consecutive year. The number of customers served (denominator) was 1,332,448, up from 1,309,715 the previous year. The number retaining employment (numerator) rose from 1,078,659 in 2007 to 1,112,672, with increases reported for eight of the 16 programs. The largest increase was reported for the Employment Services program, with 25,877 more individuals retaining employment.

Fourteen of the 16 programs show gains over the four-year period, with the only double-digit increase attributable to the Self Sufficiency Fund (23.89%).

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Customers Served¹⁶

2008 Customers Served Report Card			
	Actual	Change 2007-2008	Cumulative 2004-2008
Adults			
CTC Academic	328,474	1.68%	18.44%
CTC Technical	185,948	3.36%	4.40%
Apprenticeship Chapter 133	3,850	9.66%	6.94%
Skills Development Fund	19,777	-9.96%	43.32%
TAA/NAFTA	3,405	-16.67%	-62.65%
Veterans E&T	105,338	5.24%	17.37%
Employment Services	1,404,961	-0.65%	-7.66%
Dislocated Workers (WIA I)	12,135	-15.57%	-40.12%
Adults (WIA I)	35,927	-22.77%	11.07%
Adults Total	2,099,815	-0.37%	-2.14%
Adults with Barriers			
Blind Services	9,688	0.60%	-5.35%
Rehabilitation Services	70,713	3.12%	-39.22%
Adult Education (WIA II)	124,297	-4.86%	-5.70%
Food Stamp E&T	31,429	-29.57%	20.35%
Project RIO	39,547	36.21%	57.34%
Self-Sufficiency Fund	2,407	-16.48%	-35.59%
SCSEP	1,275	9.54%	71.60%
TANF Choices	48,473	-15.68%	-56.04%
Postsecondary	6,030	-0.71%	-18.10%
Secondary Windham Academic	77,184	3.15%	8.60%
Secondary Windham Technical	12,182	9.16%	1.61%
Adults with Barriers Total	423,225	-2.95%	-17.79%
Youth			
Perkins Secondary	973,787	3.16%	12.25%
Secondary Education	1,297,130	1.70%	8.50%
Youth (WIA I)	15,099	-18.91%	-34.01%
Secondary Academic (TYC)	4,699	-16.15%	-18.81%
Secondary Technical (TYC)	3,881	-5.64%	-5.16%
Youth Total	2,294,596	2.09%	9.48%
Total	4,811,606	0.55%	1.32%

¹⁶ Educational achievement includes participant outcomes for both educational and training programs. Data subsets (duplicates) include Postsecondary. The card total has been adjusted to provide an unduplicated count.

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 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.

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 indicates the number of individuals served by system programs and services. It should be noted that a given individual might receive services from one or more programs, either concurrently or at different points in time. Thus, the absolute number of individuals served is typically less than the total presented on the Customers Served report card as it represents aggregate, program-level participation counts. While known duplicates cannot be removed from program-level data, adjustments have been calculated at the System report card level, footnoted as a point of reference on page 11.

Data

Adults

The data range for Adults is from 3,405 customers served by Trade Adjustment Assistance/North American Free Trade Act (TAA/NAFTA) programs to 1,404,961 served by Employment Services through local workforce boards' workforce centers and WorkInTexas.com. The nine programs in this segment reported serving 2,099,815 individuals, marking decreases of 0.37% from 2007 and 2.14% for the four-year period. Significant increases were reported for the Apprenticeship Chapter 133 (9.66%) and Veterans E&T (5.24%) programs. Declines were reported for the Adult (WIA I, -22.77%), TAA/NAFTA (-16.67%), Dislocated Workers (WIA I, -15.57%) and Skills Development Fund (SDF, -9.96%) programs.

The Texas Workforce Commission (TWC) attributes the 9.66% increase in Apprenticeship Chapter 133 customers to adoption of a rule change allowing programs to accept apprentices for longer periods, accompanied by technical assistance to training program staff.

As noted in the Entered Employment analysis, for the past year or more the Texas Veterans Commission (TVC) has made an effort to contact and provide services to veterans who may not have initially requested TVC services. For example, TVC is actively outreaching self-registered veterans conducting job searches from home and veterans assisted by Employment Services staff. These efforts may have contributed to the 5.24% increase in customers served.

Three of the four large decreases reported for TWC programs can be considered positive in nature:

- ▶ *Adult (WIA I)* – With a robust self-service model, more customers have access to workforce resources without the need to enroll in WIA. Local boards have fully integrated Employment Services into their workforce model, with services available to assist all job seekers. The 2008 figure of 35,927 is down from 46,517 last year, the first decline during the four-year period.
- ▶ *TAA/NAFTA* – The number of clients served in the TAA program is based on trade-related layoffs affecting workers. Due to continued improvement in the Texas economy, fewer clients needed TAA services resulting in a 16.67% decrease. The number served declined for the second consecutive year, with a four-year decrease of 62.65%.

- ▶ *Dislocated Workers (WIA I)* – Given the ongoing strength of the Texas economy, fewer clients needed these services, accounting for the decrease of 15.57% from 2007 and 40.12% from 2004.

With regard to the SDF, TWC has previously noted that the grant mix and resulting performance data varies each year. TWC reported that the decrease in customers served was related to economic uncertainties which caused employers to be more conservative with new hire commitments/projections and releasing incumbent workers for training.

Adults with Barriers

The data range for Adults with Barriers is 1,275 customers served for the Senior Community Service Employment Program to 124,297 customers served by Adult Education (WIA II) and literacy programs. The 11 programs in this segment reported serving 423,225 individuals, a decrease of 2.95% and 17.79% from 2007 and 2004 respectively.

Significant increases were reported for two TWC programs:

- ▶ *Project RIO* – As previously noted, TWC has been working with the Texas Department of Criminal Justice to implement House Bill (HB) 2837 (79th Legislature), which requires improved data sharing in an effort to more effectively identify Project RIO-eligible customers being served by the workforce system. This has allowed TWC to more fully report services to RIO customers, resulting in increases of 36.21% since 2007 and 57.34% since 2004. In addition, Project RIO funding was increased for the 2008-2009 biennium.
- ▶ *Senior Community Service Employment Program* – TWC is working to meet the U.S. Department of Labor's (DOL) goal of increasing the number served by transitioning participants from subsidized to unsubsidized employment, then filling the subsidized slots with new participants. The number of customers served rose 9.54% and 71.60% from 2007 and 2004 respectively.

In addition, the Secondary Windham Technical program posted a 9.16% increase from 2007. The number of students served in Career and Technology Training exceeded Windham's target of 11,750 students and represented a 1,022 student increase over the previous year. The increase is attributable to increased capacity and a decrease in the number of teacher vacancies.

Decreases exceeding the 5% variance were reported for three TWC programs:

- ▶ *Food Stamp E&T (FSE&T)* – The number served decreased for the first time during the four-year period, falling to 31,429 from 44,626 served last year (-29.57%). In FY 2005, several local boards implemented a 100% outreach initiative for the FSE&T General Population. Because 100% outreach to the FSE&T General Population is not a TWC requirement, a local board may decide to discontinue this initiative. In FY 2007, this occurred. The number of FSE&T General Population customers served decreased from approximately 3,000 per month in FY 2007 to approximately 600 per month during FY 2008, thus reducing the number of potential participants.
- ▶ *Self-Sufficiency Fund (SSF)* – TWC attributes the 16.48% decrease to a policy change. Applicants must exhaust all qualified referrals on the TANF Choices caseload in their areas before using SSF funds to serve other eligible individuals.¹⁷
- ▶ *TANF Choices* – HB 2292 (78th Legislature), which requires active participation through a pay for performance model for participants to receive benefits, continues to reduce the TANF caseload. Additionally, Texas continues to exempt a significant portion of the TANF caseload from participating in employment and training activities. Although state law was amended to allow service to nonrecipient parents as volunteers, difficulties in identifying nonrecipient parent of Child-Only cases have resulted in lower numbers.

¹⁷ TWC website (revised August 26, 2008).

Youth

The data range for Youth is 3,881 customers served through Secondary Technical programs administered by the Texas Youth Commission (TYC) to 1,297,130 customers served by Secondary Education. The five programs in this segment reported serving 2,294,596 individuals. This reflects an increase of 2.09% from 2007 and 9.48% for the four-year period.

The number of customers served under Youth (WIA I) decreased 18.91% this year and 34.01% over the four-year period. TWC continues to emphasize priority of services to out-of-school youth, and has established a minimum expenditure level above that required by DOL. TWC reported that the refocusing of youth services on a more at-risk population has also served to increase the cost per customer, leading to a further decrease in the number served.

TYC-administered programs served fewer individuals again this year, with decreases reported for both:

- ▶ *Secondary Academic* - TYC reported that the decrease (-16.15) in secondary course enrollments was due to significantly reduced population levels in FY 2008.
- ▶ *Secondary Technical* – The Career and Technical Education (CTE) enrollment reduction also stems from reduced population levels in FY 2008. However, implementation of career orientation courses at the new orientation and assessment unit in Mart, as well as the addition of several CTE classes, mitigated the impact compared to reduced enrollment for secondary courses. The previous orientation and assessment unit in Marlin did not offer CTE courses last year.

Total

Partners in Texas' workforce development system served 4,811,606 individuals, representing increases from both last year (0.55%) and 2004 (1.32%).¹⁸ Of the 25 programs, service levels rose for 12.

The increase in the total number of customers served reflects positively on Texas' workforce system. Programs with the absolute increases can be correlated with continued improvement in Texas' economy, which has been growing steadily over the past four years. Upward trends in skills-based programs (e.g., CTC Technical, Apprenticeship, Secondary Windham Technical) may indicate increased efforts to provide individuals qualified to meet the increased demand for middle skills jobs. As noted earlier, programs associated with negative economic conditions such as layoffs (e.g., TAA/NAFTA, Dislocated Workers) saw a decline again this year.

Notably, TWC reported that 134,003 employers received services, including those awarded SDF (512) or SSF (110) grants. Overall, service to employers increased 26.18% from 2007 and over 259% over the four-year period. TWC reported that most of the rise was due to local boards' efforts to increase the number of employers engaging the workforce system and to the continued increase in the number of employers using the WorkInTexas.com Internet application.

¹⁸ Postsecondary performance numbers of 6,030 in the Adults with Barriers segment were subtracted from the aggregate of all programs to achieve the unduplicated performance total and percent.

LESS FORMAL MEASURES AND BENCHMARKS (TIER 2) _____

Agency Action Plans

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

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

Actions and Outcomes

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

Agency Action Plan Objectives

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

Secondary Dropout definition: Percentage dropout (annual¹⁹) for grades 7-12, based on the agency definitions and exclusions.

Benchmark (established by data submitted for 2007 report): 2.57%

Secondary Dropout percentage: 2.73%

Data: 55,306 individuals counted as a dropout from a population of 2,023,570.

Change from data reported in 2007: 0.16%

Cumulative change 2004-2008: Not available

Explanatory information: Beginning last year, dropout data reported to the Council conforms to the requirements of the National Center for Education Statistics (NCES), as required by Senate Bill 186 (78th Legislature). A detailed explanation of the definitional differences is provided as an attachment to the *Evaluation 2004* report.

*The Council requested data for the 2004-2006 reporting cycles in order to calculate longitudinal trend information. Estimated data submitted by the Texas Education Agency (TEA) is published in the Evaluation 2007 **Data Addendum**; however, it has not been used to re-establish the benchmark due to the data limitations outlined in the Evaluation 2004 addendum. Data received for the 2007 reporting cycle has been used to set the benchmark.*

¹⁹ This measure reflects the annual dropout rate (i.e., the percentage of students who drop out of school during one school year) reported by TEA in accordance with the NCES definition. In addition, TEA publishes a longitudinal dropout rate (i.e., the percentage of students from a class of beginning 7th or 9th graders who drop out before completing high school). The longitudinal rate for grades 7-12 was 11.6% this year. See the **2009 – Issues for Consideration and Action** section for additional information from TEA's *Secondary School Completion and Dropouts in Texas Public Schools, 2006-07* report (August 2008).

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

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

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

Educational Transition percentage: 50.91%

Data: 122,793 individuals counted as transitioning from a population of 241,193.

Change from data reported in 2007: -3.62%

Cumulative change 2004-2008: -2.11%

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

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

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

Educational Participation percentage: 5.21%

Data: 1,244,377 individuals counted as enrolled from a Texas population of 23,904,380.

Change from data reported in 2007: -0.10%

Cumulative change 2004-2008: 0.04%

Explanatory information: Of the 1,244,377 enrolled individuals, the participation rate by demographic group was as follows – Black, 144,160 (11.58%); Hispanic, 343,345 (27.59%); White, 611,997 (49.18%); and Other, 144,875 (11.64%).

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

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

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

TANF Recidivism percentage: 38.45%

Data: 7,303 individuals counted as returning to TANF from a population of 18,995.

Change from data reported in 2007: -4.43%

Cumulative change 2004-2008: -5.24%

*Explanatory information:*²⁰ While the rate fell 4.43%, this is a positive change. In addition, both the number returning to TANF (numerator) and total served (denominator) declined significantly over the four-year period, falling from 25,585 of 58,569 returnees in 2004.

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

Pre-release Placement definition: Percentage of offenders released from Texas Department of Criminal Justice (TDCJ) facilities into society that were employed prior to release.

Benchmark (established by data submitted for 2004 report): 0.99%²¹

Pre-release Placement percentage: 8.60%

Data: 2,436 individuals counted as obtaining employment prior to release from incarceration, from a population of 28,327.

Change from data reported in 2007: -0.26%

Cumulative change 2004-2008: 7.61%

Explanatory information: The number obtaining employment and the total population declined compared to 2007 figures of 2,793 and 31,517 respectively. This year, the TDCJ / Windham School District's Project RIO programs experienced unusually high staff turnover and absences, with over a third of positions vacant for a period of time. As a result, the affected facilities served fewer offenders with fewer pre-release placements.

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

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

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

Constructive Activity percentage: 58.52%

Data: 1,587 youths counted as continuing on to additional education or employment from a population of 2,712.

Change from data reported in 2007: 1.02%

Cumulative change 2004-2008: 7.20%

²⁰ The Health and Human Services Commission reported that the decline in the TANF caseload is largely attributable to full-family sanctions put in place in September 2003, the only major policy shift in the last five years. Failure to comply with work activity, immunization and other policy requirements results in the loss of TANF benefits. Since the beginning of FY 2004, the number of TANF adult recipients fell by almost 67.5%. During the same period, both the total TANF caseload and the average monthly number of families approved for TANF fell by just over 54%.

²¹ 2004 data represents a partial fiscal year data set, accounting for the low percentage. This was a new initiative for which data collection began in early 2004.

► Achieve job growth increases.

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

Benchmark (established by data submitted for 2004 report): 6,772

Jobs Created: 4,652

Data: 3,421 new jobs attributed to Skills Development Fund training and 1,231 new jobs attributed to Self-Sufficiency Fund activities.

Change from data reported in 2007: -44.17%

Cumulative change 2004-2008: -31.31%

Explanatory information: Both the Skills Development Fund (SDF) and Self-Sufficiency Fund (SSF) reported declines in jobs created in FY 2008. The SDF accounted for 3,421 jobs, compared to 6,355 in FY 2007. This represents a 46.17% decrease for the one-year period, and a 41.08% decrease since 2004. The SSF accounted for 1,231 jobs created, down from 1,977 (-37.73%) last year. However, SSF jobs created rose 27.43% since 2004. According to the Texas Workforce Commission, the grant mix varies each year, as does the number of jobs created which are based on contracts closed out during the applicable fiscal year. Therefore, the data may not reflect an actual rate of change for a 12-month reporting period.

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

Benchmark (established by data submitted for 2004 report): 12,715

Jobs Retained: 10,100

Data: 9,877 jobs retained due to Skills Development Fund training and 223 jobs retained due to Self-Sufficiency Fund activities.

Change from data reported in 2007: -25.79%

Cumulative change 2004-2008: -20.57%

Explanatory information: The 25.79% decrease in jobs retained from 2007 to 2008 was largely due to SDF performance which accounted for 13,367 jobs retained in FY 2007 and 9,877 jobs (-26.11%) retained in FY 2008. As noted above, the mix of grants varies each year and many grant contracts span state fiscal years; therefore, annual data may show significant fluctuation. Although the SDF program received additional funding for the 2008-2009 biennium, this is not reflected in the published data as contracts closed during the FY 2008 reporting period were for FY 2005/2006 (62%) and FY 2007 (38%) contracts.

The Texas economy gained additional jobs through economic development programs administered by the Economic Development and Tourism Division in the Office of the Governor. Data on the jobs gained through these programs, including the Economic Development Bank and domestic expansion and recruitment, are captured as 'Jobs Announced'. Due to definitional differences, Jobs Announced data are not combined with Jobs Created data from the SDF and SSF programs and, therefore, are not included in the System report card. For Jobs Announced data, refer to page 36.

SYSTEM ACCOMPLISHMENTS (TIER 3)

Strategic Action Plans

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

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

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

Actions and Outcomes

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

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

SITAC is authorized to create and deploy cross-agency teams in order to attain collaborative solutions to issues associated with the system strategic plan's LTOs. In addition, SITAC monitors partner agency efforts related to adult basic education and literacy, addressed in the next section of this report.

- ✓ **2008 Action** – During 2008, work continued on several LTOs. Significant progress was made in several areas, with priority given to employer use of and satisfaction with system products and services, which are addressed by multiple LTOs, and adult basic education and literacy.

More detailed information is provided in this section and in the **Adult Basic Education and Literacy** section.

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 and customers will achieve uniform utilization by Q2/08.

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

Following a collaborative planning and design effort, the pilot site came online in 2005. Enhancements were completed, based in part on stakeholder focus group feedback related to the site's structure, usability and accessibility. Links to Spanish information on partner agency websites were added in response to Senate Bill (SB) 213 (79th Legislature).

To increase visibility and creditability, and for long term cost effectiveness, the website was relocated to TexasOnline, Texas' official website. The updated Texas Work Explorer Portal (<http://www.texasworkexplorer.com>), available in English and in Spanish, came online in 2007.



2008 Action – Beginning in June 2008, reports documenting website usage and activity have been distributed to SITAC members quarterly. Based on preliminary review of website 'hit' and 'visit' statistics and activity trends, members consider the transition to TexasOnline a success.

System partners retain responsibility for regular site reviews in order to maintain and update their respective content areas. In addition, the site's 'Featured links' are changed throughout the year.

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

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

Since 2005, SITAC has been working to implement two LTOs that focus on employer use of and satisfaction with system products and services. An *Employer Services* briefing paper²² was compiled to provide information about partner agency, local board and education service provider offerings. In 2006, a related State of the Workforce Report was presented to the Council.

Last year, the determination was made to focus on agency-specific projects during the *Destination 2010* plan period, recognizing the different service strategies currently in place at the agency- and/or program-level.



2008 Action – Agency work is underway on 12 projects with quarterly reporting to SITAC. The projects address (1) program evaluation using current and new employment performance data and information; (2) evaluation of employer satisfaction with programs and services through new survey efforts; and (3) other agency-specific items. This work is expected to continue in future years and is currently helping to inform the workforce system strategic planning process.

²² Accessible at <http://governor.state.tx.us/twic/work/>.

Project examples include:

- ▶ *Texas Youth Commission (TYC)* – TYC’s Prison Industry Enhancement (PIE) program helps to create partnerships between private sector employers and juvenile detention facilities. Employers specify required skills and help develop the operational plan. The annual program assessment now includes surveying employers regarding their satisfaction with the program. All involved employers participated in the initial survey, and data analysis and review have been completed.
- ▶ *Windham School District (Windham)* – Windham is currently working on two ‘employer use’ projects, including the development of a standardized survey to measure employer satisfaction with training programs. The survey, completed in-person or by phone, is being implemented by Windham’s Workforce Coordinator and unit-level Project RIO staff.

A second project involves the collection and analysis of information from local workforce center staff. After a pilot, the assessment instrument was modified and has been used in nine additional areas. Additional visits were planned for fall 2008, with the goal of visiting all boards by mid-2009. Staff has begun to develop trend data related to program effectiveness, noting positive early feedback related to Windham training, in general, and to this new evaluation effort.

SAP – *Employer Customer Satisfaction level will achieve a 0.1 increase biennially in the combined satisfactory and above satisfactory categories in the Council’s System Employer Survey.*

Background – The Council’s Employer Survey was conducted biennially in 2002, 2004, 2006 and 2008. Data was collected from a cross-industry sample of Texas employers, including both users and non-users of the workforce system. Based on 2004 survey results, a benchmark of 4.6 (6 point scale) overall satisfaction rate was established. The target improvement rate was set at greater than or equal to a 0.1 increase.

Information obtained at the Council’s 2005 employer roundtable was used to enhance the 2006 survey to better identify: usage and satisfaction trends; real and perceived barriers to system access; real and perceived gaps in services needed; and opportunities to make the survey a more effective method for measuring system usage and satisfaction levels. In 2006, employers’ overall satisfaction rate remained steady at 4.6 (6 point scale).



2008 Action – Several changes were made to the 2008 employer survey. At the Council’s request, a combined methodology of telephone and Internet-based surveys was piloted. In contrast to prior surveys, the survey was not designed to measure employer’s overall satisfaction with the workforce system but rather focused on key issue areas including employee skills, applicant pools, business success and retirement.

Similar to past surveys, employers reported that lack of basic workplace skills is the most common barrier to finding qualified applicants. However, counter to data about the aging ‘baby boomer’ generation, few employers expected employees to retire in the next 5-10 years.

Future Considerations – It is anticipated that future surveys will be increasingly web-based. Additionally, they will likely be conducted less frequently, with an emphasis on gaining information for and perceptions of Texas’ employers to enable effective planning and evaluation.

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

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

Representatives from industry, economic development, academia and trade associations developed recommendations on improvements to education, workforce training, transportation, and regulatory policies, with final team reports presented to the Governor in September 2005. Each team made specific recommendations for policy or project implementation and common themes were identified, including: (1) workforce and education; (2) capitalization and commercialization; (3) business climate; and (4) collaboration.

The Texas Education Agency (TEA), THECB and the Texas Workforce Commission (TWC) continue to work on independent and joint projects in an effort to strengthen the workforce system as a whole.



2008 Action –

- ▶ *Phase 2 Reports / Governor's Competitiveness Council* – Three grants totaling \$1.4 million²³ were awarded with the grantees responsible for building on work previously delivered under the cluster initiative. Grantees evaluated the clusters' global competitive position in order to assess workforce needs again and included recommendations for improving the alignment and integration of the workforce, education and economic development communities within each industry cluster.

The reports informed the work of the Governor's Competitiveness Council. Appointed by the Governor in November 2007, the Competitiveness Council hosted a summit on August 6, 2008 and presented the *Council's Report to the Governor* and the *2008 Texas State Energy Plan* to Governor Perry. The reports²⁴ provide a road map for the governor, Legislature, state agencies and industry leaders to enhance Texas' competitive position in the global economy.

- ▶ *Grant Program* – TWC's *Meeting Industries' Critical Workforce Needs* program continued to support the development of market-driven education and training programs. Using federal Workforce Investment Act (WIA) funds, 17 grants totaling over \$10.7 million have been awarded since 2006. The first projects completed this year, include:
 - *University of Houston* – This project was funded under the biotechnology and life sciences cluster to expand the university's Center for Life Sciences Technology department. Project objectives included the development of a new academic program recommended by National Science Reviewers as a model for Biotechnology education. Additional activities include offering workshops to high school teachers and industry professionals; mentoring students working on biosensors; and designing a new biotechnology lab facility.
 - *Numedeon* – Funded under the biotechnology and life sciences and advanced technology and manufacturing clusters, Numedeon developed two web exercises within Whyville.org that provide students age 14 and older with information about the

²³ Each grant funded work required for two of the six industry clusters.

²⁴ Accessible at http://governor.state.tx.us/priorities/economy/industry_cluster_efforts/governors_competitiveness_council/.

clusters. In developing the sites, Numedeon consulted with industry and other groups to develop content designed to expose youth to careers in these industry clusters through education and realistic activities in an online virtual world. Site information was distributed to public school teachers, students and other groups.

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

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

HB 2421 (79th Legislature) addressed the funding mechanism for these funds. Employers subject to UI taxes pay an Employment and Training Investment Assessment of 0.1% of wages paid; however, the initial contribution rate and replenishment tax components of the unemployment insurance tax are reduced by 0.1%. Funds collected through this assessment are deposited into a holding fund and allocated according to a specific formula. Revenue collection began in FY 2006.²⁵



2008 Action –

- ▶ *Program Funding* – The new holding fund created a stable funding source with established funding ratios for the TEF and SDF. As required by HB 2421²⁶, transfers of \$20 million to the SDF and over \$52.2 million to the TEF were made in September. The SDF has an appropriation of more than \$50 million for FY 2008-2009, an increase of over \$10 million.
- ▶ *Jobs Announced* – Last year, 12,850 jobs were announced as a result of economic development activities, with 3,934 attributable to the TEF and 8,916 to the Economic Development Bank, Aerospace and Aviation, and Domestic Expansion and Recruitment programs. These successful recruitment and expansion activities continue to create new job opportunities for Texans despite increasingly challenging economic conditions.

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

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

Local boards continue to expand the variety of available online, in-house and on-site services, including those offered by their Business Services Units. As part of their local planning process, boards are required to identify the skills needed within their workforce area. While this does not represent system-wide information, it can provide useful information for the state's 28 workforce areas. Some boards use complex data, integrated with qualitative information, to prioritize employer needs, while others primarily use qualitative information to arrive at decisions.

²⁵ Legislative Budget Board Fiscal Note for HB 2421 (enrolled version), 79th Legislature (May 28, 2005). HB 2421 specified that for FY 2007, 67% of available funds be transferred to the TEF, with the remaining 33% transferred to the SDF. For FY 2008 and future years, the split changed to 75% to the TEF and 25% to the SDF.

²⁶ Texas Labor Code §§ 204.121-123.

The Council's June 2006 State of the Workforce Report included a preliminary assessment of partner agency current and planned evaluation efforts related to employer use of and satisfaction with system products and services. Baseline surveys²⁷ indicated that employer involvement was common in program planning stages; however, there were few formal, systemic evaluation efforts in place.



2008 Action –

- ▶ *Local Board Information* – In March 2008, TWC approved an extension of current board plans through July 2009. To support workforce system planning and evaluation activities, the Council requested that boards provide current information about related activities.

Example – Workforce Solutions of the Coastal Bend, in collaboration with the Corpus Christi Chamber of Commerce and the Port Industries of Corpus Christi, is working to address the shortage of skilled workers (e.g., welders, pipe fitters, engineers) for the area's petrochemical, manufacturing, construction and refining industries. Input from industry representatives and area students led to the development of calendars and DVDs featuring target occupations and the Talent Bank™ website²⁸ provides training and job information, as well as an interactive program to help youth with career choice.

In addition, the three partners established the Leading the Way Scholarship to support Del Mar College, the Craft Training Center of the Coastal Bend and Coastal Bend College students that are currently enrolled in welding, process technology, skilled crafts, instrumentation and electrical programs.²⁹

As this Industry Outreach Project focuses resources on industry clusters that pay higher than average wages or provide primary jobs, it was expanded to begin outreaching employers in health care industries.

- ▶ *Agency Plan Development* – As previously noted, agency work is underway on 12 projects related to employer use of and satisfaction with system products and services. Several of the projects represent new agency initiatives to address program evaluation through new or modified data collection efforts with employers, as well as the use of existing performance data/information.

Future Considerations – The need for continued improvement in this area was addressed in recommendations from the Governor's Competitiveness Council³⁰, e.g.:

Enhance Workforce Supply-Demand Database: *Texas needs accurate data to assess current and future workforce supply and demand gaps correctly. The state should enhance its industry-wide workforce databases by improving collection and reporting of current and projected supply and demand data. This enhanced database should have the capacity to generate reports on the number of skilled workers needed by occupation and industry compared to graduates and students in two-year, four-year, certificate, and advanced degree programs in critical fields.*

²⁷ Workforce system partners are responsible for the delivery of 25 programs and services focused on education, workforce education and workforce training. Many of these, in particular the many programs administered by TWC and by local workforce development boards (e.g., programs funded under the Workforce Investment Act) were not included in the survey, as information about applicable federal and state performance reporting requirements is documented and readily available. Baseline survey conducted in April 2006 with the exception of the Texas Veterans Commission (April 2007).

²⁸ Accessible at <http://www.talent-bank.net>.

²⁹ <http://www.caller.com> (May 7, 2008).

³⁰ Governor's Competitiveness Council, *Council's Report to the Governor* (July 2008).

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

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

The Council has collaborated with the THECB, the Texas State Leadership Consortium for Curriculum Development and its successor, the Texas State Leadership Council (TSLC), to ensure that the state’s community and technical colleges have the information needed to meet the emerging needs of Texas’ employers.

Local boards may choose not to fund certain training programs, or may provide direct input to training providers of employers’ training needs. Boards are responsible for reviewing training programs to assess their applicability for meeting current and future skills needs in their workforce area or other areas of the state. Based on information submitted in 2006 and 2008, most boards have defined processes for identifying target occupations and approving training providers; however, only a few described how they use these and other means to recommend revision or retirement of training programs.



2008 Action –

- ▶ *Career and Technical Education (CTE) Review Panel* – HB 3485 (80th Legislature) required TEA to establish a CTE Review Panel. The Council is represented on the 10-member panel that met regularly in 2008 to review and make recommendations on CTE curricula revisions. The State Board of Education (SBOE) has appointed writing teams to make necessary revisions to the essential knowledge and skills that must be included in CTE courses. Work will continue by the panel and writing teams, with a target date of July 2009 for SBOE adoption of the new CTE TEKS.

This effort is consistent with a Governor’s Competitiveness Council recommendation that addresses enhancing CTE courses ‘to ensure they are relevant to current and emerging occupations and include college and workforce readiness standards.’³¹

The Perkins Act³², reauthorized in 2006, required the development of a new state plan. *Texas State Plan for Career and Technical Education, 2008-2013* was approved by ED in July.

Perkins State Leadership Projects – Additional policy and funding changes were implemented for 2008-2009 in conjunction with the THECB Commissioner’s effort to align all activities and resources with *Closing the Gaps*. Over \$2.7 million was available for State Leadership activities, down from over \$3.2 million last year. A competitive process was used to allocate funds for projects that address professional development activities; development of innovative curriculum and/or course/modules redesign in high-skill, high-wage or high-demand occupations; and activities that increase the academic performance of special population students, including those in non-traditional fields of study.³³

³¹ Governor’s Competitiveness Council, op. cit.

³² Carl D. Perkins Career and Technical Education Improvement Act of 2006, Public Law 109-270.

³³ THECB, Agenda Item X-E: Consideration of adopting the Committee’s recommendation to the Board regarding the Carl D. Perkins Career and Technical Education Improvement Act funds to colleges and consortia for Basic Grant, Tech-Prep, and State Leadership activities for program year 2008-2009 (July 24, 2008 meeting).

In the future, Perkins funds will no longer support the TSLC project. A new CTE committee replacing TSLC is to be formed during the 2008-2009 program year, comprised of members nominated by the colleges.

During 2008-2009, the *Workforce Education Course Manual* (WECM) Leadership Committee will continue to meet quarterly and work with representatives from THECB and applicable community college associations. Workshops for course reviews and updates will continue to be held. In addition, the WECM committee will begin meeting with the *Academic Course Guide Manual* group to explore ways of working together, aligning and updating coursework, identifying equivalent courses, identifying gaps and addressing transfer issues.

- ▶ *Local Board Information* – As previously noted, the Council requested that boards provide current information to support workforce system planning and evaluation activities.

Example – Workforce Solutions – Capital Area applies the Eligible Training Provider System to all workforce programs, not just those required under WIA. Analysis of the local labor market and employers' needs are ongoing board activities, with multiple data sources reviewed regularly in order to update the Demand Occupation List and ensure that funds are targeted to high-growth, high-wage, and high-skill demand occupations.

The board has been awarded two grants under TWC's *Meeting Industries' Critical Workforce Needs* grant program:

- *Biotechnology and Life Sciences* – In 2006, the board and Austin Community College (ACC) received \$401,620. In part, the funds are being used to develop curricula in biotechnology, bioinstrumentation and molecular diagnostics to support the area's rapidly growing biotechnology industry. Courses have been developed with input from area biotechnology employers, including Viagen – a company that has also expressed interest in developing an internship program with ACC.
- *Energy* – In 2007, the board and five Austin-area organizations were awarded \$628,420 to form the Central Texas Energy Cluster Workforce Consortium. The group is conducting an employer-driven needs analysis that will inform development of new curricula and support a marketing campaign promoting industry opportunities.

The board also coordinates with the Greater Austin Chamber of Commerce and its Bio and Energy Councils. During the past year, the board worked with The University of Texas at Austin's Ray Marshall Center and Angelou Economics on studies of the region's manufacturing, renewable energy, and biotech industry sectors.

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

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

The Texas Business Portal³⁴ website was launched in March 2005, simplifying the process of fulfilling state reporting and licensing requirements. SB 96 (79th Legislature) provided for the expansion of Internet services by requiring state agencies to make all forms available online.

³⁴ Accessible at <http://www.texasonline.com/portal/tol/en/bus/1/1>.

No-fee access is to be developed for all business permits and occupational licenses listed on TexasOnline (<http://www.state.tx.us>). In 2007, the Consolidated Business Application website³⁵ was enhanced to allow users to apply and pay for new permits for retail, convenience store and restaurant business types.



2008 Action –

- ▶ *Agency Plan Development* – As previously noted, individual partner agency plans were developed to address employer use of and satisfaction with system products and services, and other agency-specific items. Plan implementation is in progress, with regular reporting to SITAC.
- ▶ *Skills Development Grants* – HB 2421 also required TWC to consider giving priority to training incentives for small businesses when awarding SDF grants.³⁶ FY 2008 represents the second complete reporting cycle for which this change was effective. A total of 41 SDF grants were awarded, with the breakdown by employer type as shown in the following table:

Business Type (No. of employees)	Total Dollars Awarded	% of Total
Micro (<21)	\$ 166,495.64	0.73%
Small (21-99)	1,091,786.69	4.79%
Medium (100-499)	3,155,175.63	13.86%
Large (500+)	18,359,215.04	80.62%
Total	\$22,772,673.00	100.00%

The average grant amount was \$555,431. According to TWC, SDF grants often include a consortium of businesses, which may be composed of micro, small, medium and/or large employers. For FY 2008, the number of grants in which those business types were a partner included: six micro, 25 small, 45 medium and 72 large businesses.

³⁵ Accessible at <http://www.texasonline.com/cbap/welcome.jsp>.

³⁶ TWC Workforce Investment Act Rules: 40 TAC § 803.3(a)(2), effective January 9, 2006.

ADULT BASIC EDUCATION AND LITERACY

Mandate and Background

Texas Government Code § 2308.1016 mandates that the Council facilitate the efficient delivery of integrated adult education services in Texas, in part by evaluating the adult education and literacy services administered by the Texas Education Agency (TEA) and the Texas Workforce Commission (TWC). The Council is directed to develop and implement immediate and long-range strategies for any identified problems, including those related to duplicative planning efforts or lack of client information sharing.

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

Since 2003, the Council and its adult basic education (ABE) partners – TEA/Texas LEARNS³⁷, TWC and the Texas Higher Education Coordinating Board (THECB) – have worked to identify issues, document and report on the status of key areas within ABE in Texas and develop an action plan that outlines long term strategies for improvement.

In December 2004, the Council approved the revised Strategic Action Plan (SAP) and assigned oversight responsibility to the System Integration Technical Advisory Committee (SITAC), the Council committee charged with implementation of the system strategic plan. The revised SAP was included in the 2005 Update to *Destination 2010*, which was approved by the Council in March 2005 and subsequently signed by the Governor. Reviewed and updated annually, it is one of the most complex SAPs in the plan, containing 17 major tasks.

The Workforce Literacy Resource Team (WLRT), with representatives from employers, local adult education providers, local boards, Texas LEARNS and the three agencies, was formed in 2006 to address the team's primary goal of increasing collaborative efforts among employers, local boards and ABE providers.

Key Actions

During 2008, continued progress was made with regard to SAP implementation. TEA, THECB and TWC continued to provide regular reports at SITAC meetings, including updates on the tasks outlined below. Specific actions are grouped by the agencies' four overarching goal areas:

Collaborative Planning

- ▶ *State and Local Communication* – Coordinated in part by the WLRT, joint communication and planning efforts continued among the three agencies, as well as with local adult education and workforce service providers. Agency staffs solicit input from system stakeholders and utilize email distribution lists and a website to gather input for planning purposes.

Information on best practices and grant opportunities is shared through small group meetings, state and regional conferences, email distribution lists, Internet postings and publications. In addition, 'SHOP TALK'³⁸ information releases are readily available.

³⁷ Under an agreement with TEA, Texas LEARNS provides nondiscretionary grant management functions, program assistance and other statewide support services to Texas' adult education and family literacy providers. TEA is responsible for all discretionary, policy and monitoring functions.

³⁸ Accessible through the Texas LEARNS website at <http://www-tcall.tamu.edu/texaslearns/st/sttoc.htm>.

- ▶ *Local Partnerships* – WLRT members assisted with ‘A Workforce Literacy Summit: Workbased Literacy Models for a 21st Century Economy’ held in San Antonio in April. Hosted by The Alamo Community Colleges, the summit focused on *Best Practices in VESL*³⁹ Models with sessions designed for representatives from employers, community college workforce training, continuing education, adult education providers, adult literacy centers and workforce centers.

Segment Customers and Increase Service Options

- ▶ *Distance Learning* – In 2006, Texas LEARNS and the GREAT⁴⁰ Teacher Training Centers initiated nine pilot projects designed to train a group of teachers and administrators in the fundamentals of distance learning (DL). During the pilot year, only one distance learning option was offered – *English for All* for intermediate level English as a Second Language (ESL) students. Since that time, 12 other distance curricula have been approved and last year, local service providers offered instruction in five of the approved curricula.

Before local providers can offer DL options, state policy requires completion of *Distance Education 101* professional development through the GREAT Centers. In addition, a distance education plan must be developed that addresses recruitment, orientation, instruction and evaluation for courses selected from the list of approved curricula. To date, 18 local programs have completed plans. This number is expected to increase during the 2008-2009 program year.

- ▶ *Funding Mechanisms* – One of the SAP’s major tasks is to evaluate and recommend changes to the funding allocation methodology and performance-based contracting model for ABE grants. The State Adult Education Advisory Committee formed a task group to review a U.S. Department of Education report⁴¹ and draft a performance-based funding proposal. The Committee recommended to TEA that a modification of the funding formula be carried forward to the State Board of Education.

Increase Employer Access and Utilize Industry Approaches

- ▶ *Agency Services* – TEA and TWC are working to facilitate the implementation of allowable services at the local level through the sharing of best practices and special initiatives such as the Rider 82 projects outlined later in this section.
- ▶ *Local Conferences* – Employer participation continues to increase in events such as the 4th Annual Adult Education and Workforce Conference, held in May in San Antonio.⁴² The *On the Road to Enhancing Partnerships* conference featured a variety of workshops for adult education providers, workforce partners, businesses and institutions of higher education. Topics included an employer panel addressing the necessary skills and qualifications, managing ‘Generation X’ employees, Project RIO and how to work with employers to improve workers’ job-related English language skills.

³⁹ Vocational English as a Second Language (VESL).

⁴⁰ The Project GREAT Adult Education and Family Literacy Regional Centers of Excellence are Texas LEARNS’ answer to the professional development needs of adult education and family literacy practitioners. Eight Centers are funded as federal State Leadership activities by TEA and Texas LEARNS, one in each state service region. Centers are managed by the grantees in collaboration with Texas LEARNS, TEA and regional adult education directors.

⁴¹ *Performance-based Funding in Adult Education* (August 2007).

⁴² Fourth annual conference hosted by the South Central GREAT Center, Education Service Center Region 20, The Alamo Community Colleges and Workforce Solutions Alamo.

Intensive Professional Development

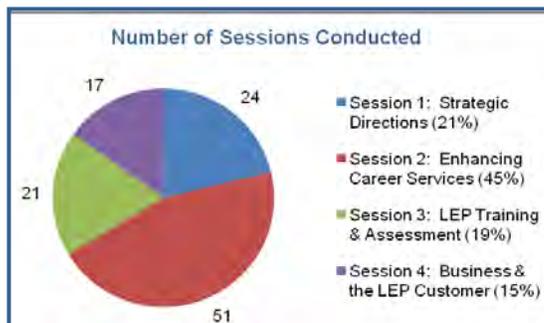
The eight GREAT Centers provide professional development activities that support a range of teacher, staff and advisory committee needs. These include topics mentioned in this section (e.g., distance learning, Rider 82 industry curricula) as well as ongoing training and assistance for subjects such as:

- ▶ *Content Standards* – Developing lesson plans using the content standards and benchmarks⁴³ for ABE/Adult Secondary Education and ESL learners.
- ▶ *Advisory Committee Orientation* – Training module to assist ABE fiscal agents with the selection and orientation of local advisory board members.

Project Profiles

LEP Field Guide

Last year, TWC issued the *LEP Guide for Workforce Professionals*⁴⁴ to assist local boards, workforce center staff, and education and training professionals with the delivery of services to participants with limited English proficiency (LEP) – one of the fastest growing segments of Texas' workforce. The guide includes four modules that address: intake and case management; nontraditional occupations and entrepreneurial opportunities; scorecards for evaluating training services; and comprehensive assessment.



From September 2007 through May 2008, 113 training sessions were held for the state's 28 local workforce boards, with an average of 16 training hours per board. In addition, TWC staff participated in two training sessions in Austin.

Training was provided to over 1,700 board and workforce center staff, board members, and training and education providers. In addition, local board Executive Directors have

been provided with (1) curriculum and software to enhance resource center services and (2) results of pre-/post-training questionnaires.

Workforce boards and education and training providers have adopted some of the best practices recommended by the training, e.g.:

- ▶ Workforce Solutions for Tarrant County formed a 'Dream Team' of experts to provide support and technical assistance;
- ▶ Workforce Solutions Cameron used scorecards to design a Request for Proposals; and
- ▶ training and technical assistance have been provided to the Harris County Department of Education.

⁴³ *Texas Adult Education Content Standards and Benchmarks for ABE/ASE and ESL Learners: Implementation Guide*, Version 1.0 (June 2007). Accessible through the Texas Center for the Advancement of Literacy & Learning website at <http://www-tcall.tamu.edu/taesp/guide/cover.html>.

⁴⁴ Accessible at <http://www.twc.state.tx.us/boards/guides/guides.html>.

Industry-Specific Curriculum Development [Rider 82⁴⁵]

In 2005, the Legislature required TEA to develop demand-driven workplace literacy and basic skills curriculum. The project focused on adults with limited English language proficiency, with the target industries of health care, sales and service, and construction and manufacturing trades.

Following a 'soft launch', the curricula were piloted in five sites during 2007. Multiple partners⁴⁶, with a lead role played by El Paso Community College, were responsible for various project components, including the development of 59 products:⁴⁷

- ▶ instructor manuals and lesson plans;
- ▶ recruitment and orientation modules;
- ▶ student workbooks and assessment materials;
- ▶ problem solving and oral communications scenarios;
- ▶ employability modules and an accompanying website for online support for students and instructors; and
- ▶ strategies for establishing industry-specific internship initiatives.

"The use of the TISESL curricula by no means replaces occupational training; rather, it may serve as an excellent spring board or bridge to occupational training for a population that might otherwise be denied access to career opportunities in growing industry sectors."

- SHOP TALK #25, Texas LEARNS
(August 22, 2008)

The copyrighted Rider 82 products – now called Texas Industry Specific English as a Second Language (TISESL) – have been made available to adult education providers statewide. Programs will be offered at five sites this fall, with that number slated to increase next spring.

Teacher manuals with instructional strategies for each industry-related curricula have been distributed and training provided. The manuals cover recruitment and orientation, student assessment, instructional scope and sequence, and other related topics.

Two handbooks addressing planning and preparation for the delivery of workforce-related ABE/ESL instruction are also available.⁴⁸ Additionally, partnerships are being developed with volunteer councils and a volunteer tutor training component has been added.

Adult Technology Training for Individuals with Limited English Proficiency

In 2007, TWC awarded four grants with a total funding amount of almost \$700,000. Targeted for individuals with LEP, the one year grants integrate occupational training, vocational ESL, technology application training and GED test preparation (if required for employment or training).

For example, the Westside Education and Training Center (WETC), an Alamo Community College District (ACCD) workforce specialty center, is implementing bilingual dietetic food

⁴⁵ Senate Bill 1 (79th Legislature) – General Appropriations Act 2006-2007 Biennium, Article III: Education, TEA Rider 82: *Development of Workplace and Workforce Literacy Curriculum*. "Out of Federal Funds ... the Commissioner shall allocate an amount not to exceed \$850,000 in fiscal year 2006 for the development of a demand-driven workplace literacy and basic skills curriculum. The Texas Workforce Commission shall provide resources, industry-specific information and expertise identified as necessary by the Texas Education Agency to support the development and implementation of the curriculum."

⁴⁶ TEA and Texas LEARNS, TWC, El Paso Community College, Texas A&M University, Texas Center for the Advancement of Literacy and Learning, local adult education providers and volunteer literacy councils.

⁴⁷ Texas LEARNS, SHOP TALK #22 (July 1, 2008).

⁴⁸ Accessible through the Texas Center for the Advancement of Literacy & Learning website at <http://www-tcall.tamu.edu/litresources/workres.htm>.

service supervisor and certified nurse aide (CNA) programs designed to bridge the gap between the growing LEP workforce and employer demand for well trained workers. The intensive programs (24 hours weekly) integrate bilingual technical training with occupation-specific VESL classes. Structured teacher coordination ensures instructional alignment.

Through enhanced outreach strategies, a bilingual intake, screening, and application process ensures trainees have the skills, drive and work-eligibility needed to complete training and succeed in the workforce. The diverse student base includes degreed professionals from Latin America, tenured food service workers in San Antonio school districts, and young adults looking for career opportunities.

Using the TWC grant funds and leveraged funds, 208 people were screened into the project. Leveraged funds are also supporting GED, ESL and computer training classes. Project highlights (as of mid-September):

- ▶ 85 participants received orientation and job readiness training;
- ▶ 17 VESL training events were presented for 32 faculty and project staff;
- ▶ 34 CNAs had been trained or were in training, with 12 of 16 passing the certification test;
- ▶ 33 had been trained as Culinary Specialists with 15 of 19 passing the national certification; and
- ▶ 13 employers and 52 individuals attended a job fair, with job count data to be available at a later date.

The goal is to develop replicable models that assist the ACCD colleges in broadening the training options available to San Antonio's diverse workforce.

Next Steps

SITAC will continue to monitor SAP implementation progress during the coming year. In addition, agency work will proceed to increase consistency with regard to TEA/Texas LEARNs and TWC application and contracting processes, as well as evaluation and reporting requirements.

Reauthorization of the federal Workforce Investment Act of 1998 is still pending in Congress. Following reauthorization, an interagency team will be convened to collaborate on state plan development including incorporation of SAP language.

Through the WLRT and other collaborative projects, the partner agencies plan to build on past efforts. Work accomplished to date through the Rider 82 industry curricula, distance learning and LEP projects are expected to provide information and resources for future efforts.

To better meet employer needs, programs must be designed to integrate both ABE and skills-based training. Lessons learned from projects mentioned above and other initiatives completed under *Destination 2010* can inform the strategy as work proceeds under the new system strategic plan currently in development. This is especially true in relation to the recommendation of the Governor's Competitiveness Council to "... initiate a complementary state (ABE) initiative that has the flexibility to merge existing adult literacy programs with skills training. Additional funding should be used to promote best practices or proven training programs with industry relevance."⁴⁹

⁴⁹ Governor's Competitiveness Council, op. cit.

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

Mandate and Background

Chapter 2308.101(a)(5), Texas Government Code, requires that the Council review local plans for workforce development and make recommendations to the Governor for approval. In addition, Chapter 2308.304(b)(4) specifies that the plan must include a strategic component that sets broad goals and objectives for local workforce programs, and outcomes must be consistent with statewide goals, objectives and performance standards. The strategic plan for Texas' workforce development system, *Destination 2010*, establishes these statewide goals and objectives through FY 2009. *Destination 2010* contains 22 Long Term Objectives (LTOs) that have associated Strategic Action Plans (SAPs) to guide implementation. The state's local workforce development boards are responsible partners/owners of seven LTOs. The Council currently requires board alignment with six of the seven.

In March, the Texas Workforce Commission (TWC) approved an extension of current local board plans until July 2009. The Commission took this action in order to improve alignment of the local planning process with other state and federal planning cycles and priorities. The extension will also allow 2009 local board planning to be informed by the Council's current system strategic planning process.

To obtain information for Council planning and evaluation activities, the boards were asked to complete a two-part information request for the Program Year ending June 30, 2008 (PY 2007). This included:

- ▶ a narrative response to inform the Council on the development of the next system strategic plan, addressing three key areas: (1) top three challenges or issues facing the board; (2) top three priorities identified by the board; and (3) the board's most significant achievements over the past six years, and
- ▶ a description of the board outcomes and key activities for PY 2007 implementation of strategies that align with the applicable LTOs.

Challenges and Priorities

Several common themes emerged from the identified challenges and priorities, with two identified by the majority of boards:

- ▶ *Funding Decreases / Demand Increases* – In a period of reduced funding and rising demand, boards are challenged to maintain the infrastructure and service levels required to meet employer and job seeker needs. While funding has been stagnant or declining for several years, the situation recently became more acute as PY 2008 Workforce Investment Act funding to Texas for adult, dislocated worker and youth services was reduced by \$53.1 million (21.4%) from the prior year. Total funding for 2008 was \$195 million, leading to staff and resource reductions at the state and local levels.

Boards are also seeking ways to leverage their resources with other public and private funding sources. Many reported that over the past six years they have developed successful partnerships with public and private entities in their communities. Partnerships are frequently with economic development organizations and educational institutions, and have resulted in numerous joint projects, programs and initiatives focused on meeting specific regional needs. Boards emphasized that partnerships will be increasingly critical in the future, both to leverage their limited resources and to meet industry demand for an educated and skilled workforce.

- ▶ *Employer Service Needs* – The second theme involved the challenge and priority of meeting employers' need for educated and skilled workers while facing shortages or deficiencies in the current

and incoming workforce. Boards report that shortages are caused by multiple factors including retirements, low literacy and English language proficiency, insufficient education, lack of occupational and employability skills, and rapidly changing industry requirements. Examples of efforts to address this challenge include:

- Labor market and economic analyses are informing decisions and strategies among regional leaders, with the availability and quality of data and forecasting tools continuing to be important.
- Partnerships with primary and secondary schools are focused on educating parents, teachers, and students about career opportunities and educational pathways in demand in the region.
- Joint initiatives with higher education institutions have been created to address workforce shortages, frequently in health care occupations but also in manufacturing and other industries with growing demand.
- Some boards are working with community and economic development organizations to support and develop entrepreneurs, while others are engaging in partnerships to address the lack of basic education and literacy in their adult population.
- Several boards are actively engaged in larger regional partnerships with neighboring boards to share resources and address industry needs.

Project Profiles

The following section provides examples of board projects or initiatives that align to the required LTOs:

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

Workforce Solutions Greater Dallas – The board created the Encouraging Employer Advancement (EEA) program to address employer needs and current worker training opportunities. EEA connects local employers confronting problems with employee retention, workers lacking specialized occupational skills, limited training budgets (e.g., small/medium sized businesses), a large influx of non-English speaking workers, increased numbers of retiring skilled workers, and overall low productivity.

The EEA program has targeted dollars for ‘just in time’ training designed specifically to meet employers’ needs. During 2006-2007, the program served over 6,200 workers. Primary emphasis is on current worker training that assists Dallas County employers to be more productive, more competitive and ensures employee growth through career advancement, salary increases, job retention and skills enhancement. In addition to worker outcomes, the initiative assists participating employers by leveraging private dollars to expand current worker training and strengthening the relationship of the workforce system among local businesses.

Examples of success by industry include:

- ▶ *Manufacturing* – In an effort to create a demand driven workforce system, the board partnered with Dallas County Community College District (DCCCD) to provide an employer focused training program responding to the skill needs of the Dallas workforce. DCCCD was awarded \$472,000 to provide current worker training to 562 unduplicated workers within eight companies.
- ▶ *Information Technology* – When IBM responded to the EEA procurement offer, they identified a need for high-level information technology skills training. The training enabled

160 current workers to increase skills to meet the changing demands of IBM customers and provided opportunities for career advancement and wage increases.

- ▶ *Construction* – Richland College and three major contractor associations (i.e., Hispanic Contractors Association, Asian Contractors and Black Contractors Association) provided a unique training program for current workers within the construction industry. Courses included AutoCAD, computer programming, blueprint reading, web development, safety skills, communication and language skills, and soft skills for leadership development.

LTO – *Employer Customer Satisfaction level will achieve a 0.1 increase biennially in the combined satisfactory and above satisfactory categories in the Council's System Employer Survey.*

Workforce Solutions of West Central Texas – The board's employer sustainability rate⁵⁰ increased from 61.39% in PY 2006 to 69.01% in PY 2007, demonstrating that larger numbers of employers receive and continue to utilize workforce services each year.

The board continues to use traditional events such as job fairs, workshops and presentations to employer and civic organizations to communicate with employers. Over 3,500 business and community leaders receive the board's monthly newsletter, which features local labor market information and articles on workforce issues. Examples of other employer-related activities include:

- ▶ The board has provided training to almost 1,500 childcare workers, representing over 50 different employers.
- ▶ Using video teleconferencing, the board offers an interactive monthly workshop at three to five locations across the region. Targeted to small and medium businesses, the interactive format allows rural employers an opportunity to participate in high quality workshops without having to travel long distances.
- ▶ The board has an ex-officio membership on the Executive Committee of the Hispanic Business Council (HBC), a relatively new organization that is an affiliate of the Abilene Chamber of Commerce. The board has hosted several workshops on workforce services and programs and participates in HBC activities.

LTO – *Increase by 2% per year (from actual rate of previous year), the percentage of persons receiving vocational rehabilitation services from HHSC who remain employed after exiting the program.*

Workforce Solutions North Texas – North Texas maintains a close working relationship with the Health and Human Service Commission's Department of Assistive and Rehabilitative Services (DARS), which involves sharing information about mutual clients and how best to serve them.

One activity is the Transition Fair, hosted for the past two years in October by a consortium of organizations, including the board, DARS, Region 9 Education Service Center and Midwestern State University. High school students identified as disabled are invited to the full day event where informational sessions are provided by a number of employers, including the military services, state departments and staffing agencies. In addition, students and parents receive information to assist the students with the transition from school to work.

⁵⁰ Percent of employers served who are repeat customers, i.e., previously received qualifying services in WorkInTexas.com with at least 30 days between services.

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

- ▶ *Multi-Board Project* – Workforce Solutions for Tarrant County, Dallas and North Texas were named the National Association of Workforce Boards' 2008 Theodore E. Small Workforce Partnership Award Distinguished Honoree. Honoring innovative business-led community partnerships developed by local boards, the award was granted to the three boards for their participation in the Dallas/Fort Worth Regional Workforce Leadership Council (DFW RWLC).

Formed in 2002, the RWLC is led by representatives from industry and serves as the convening entity for the local boards, chambers, employers and educators in the larger DFW region to focus on the development of North Texas' primary industry clusters. The RWLC partners with the major independent school districts, community colleges and universities to address the information and resource gap between workforce supply and workforce demand. The partnership works closely with business to develop regional industry clusters to strengthen the global competitiveness of the region's major industries.

▶ *Grant Awards* –

- *Workforce Solutions for North Central Texas* – In partnership with the Texas Manufacturing Assistance Center, North Central received a \$240,000 TWC Skills Advancement grant to promote the Manufacturing Skill Standards Council (MSSC) in North Texas. This will be accomplished through a series of assessments for North Texas Supply Chain and Advanced Manufacturers, with findings to be presented at a regional conference slated for March 2009.

With the assistance of grant partners, the board is working to build MSSC training programs into local independent school districts, community colleges and other regional training providers in an effort to provide a stable, skilled workforce that contributes to the economic development efforts across North Texas.

- *Workforce Solutions for Tarrant County* – In 2007, Tarrant County was awarded a \$1.025 million grant from TWC to help develop the aerospace industry cluster. An Aerospace Manufacturing Training Program was developed and is being pilot tested.

The grant also afforded the board the opportunity to expand the "Gotta Jet?" aerospace awareness program to all school districts in the region's 16-county area. The board is seeking to replicate this awareness program for the larger advanced manufacturing sector.

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

Workforce Solutions Gulf Coast – The board's High-Skill, High-Growth Occupations List (i.e., demand occupations) represents occupations in the region that provide the best opportunity for good jobs now and in the near future. In developing the list, the board considers the most recent employment projection, wage and job growth data provided by TWC. Four criteria are used to filter that data – projected number of jobs, job growth rate, wages and educational requirements, with a minimum acceptable level set for each criterion. The list is modified as frequently as once a quarter based on employer information, with major revisions at least every three years.

The list is narrowed to generate the High-Skill, High-Growth Occupations Supported by Scholarships List. The Supported by Scholarships List represents occupations where demand outpaces supply, and the workforce development pipeline is not expected to produce enough qualified people to meet the needs of the region's employers. Scholarships are only provided for programs that prepare people for an occupation on the Supported by Scholarships List.

Following the December 2007 approval of a new Supported by Scholarships List, the board reviewed their vendor network and removed programs that did not prepare individuals for work in a listed occupation. Realizing the market is not static and changes in between planning cycles, the board developed a process that allows employers or groups of employers to petition the board to add or remove an occupation. For example, the board recently added several drafting disciplines to address employer needs related to construction in the petrochemical plants and refineries.

The board uses labor market intelligence, i.e., information gleaned from industry and not necessarily represented in the statistics. Information is gathered throughout the year through participation in industry steering committees, from the work of the board's industry liaisons as they work with chambers and employer groups, and from board members.

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

Workforce Solutions of Central Texas – The board, in partnership with the Greater Killeen Chamber of Commerce and Central Texas College, assists small and start-up businesses through a Business Resource Center located in Killeen's Workforce Center. Through the jointly funded project, entrepreneurs and small businesses can access computers and individualized assistance. Training is available through variety of venues, e.g.:

- ▶ The Business Resource Center conducts regularly scheduled, fee-based workshops at multiple locations.
- ▶ Central Texas promotes entrepreneurial skills training and microenterprise services through a partnership supporting Temple College's Business Growing Center.
- ▶ Entrepreneurial training is provided at the Milam County Rural Business Service Center (i.e., Central Texas Workforce Center in Rockdale).

The Business Resource Center also joins with the board's Business Services Unit staff to facilitate services for small and mid-sized businesses such as (1) the annual Business to Business Showcase where small businesses showcase their products and (2) the 2008 Government Contractors Expo, featuring a vendor exposition with opportunities for small business owners to learn government and private sector subcontracting opportunities. Small and mid-sized businesses are also given opportunities to advertise on the board's website.⁵¹

As a rural workforce area, the majority of Central Texas' businesses are classified as small and mid-sized. The board targets staff and resources to businesses with the greatest potential for job openings or economic impact, utilizing a business targeting and service strategy that ensures resources are appropriately aligned with primary market segments. Market segments and customer groups are identified based on the business' need and its contribution or economic impact to the workforce area.

⁵¹ Accessible at <http://www.workforcelink.com>.

2009 – ISSUES FOR CONSIDERATION AND ACTION

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

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

As noted on page 5, issues included in this section are limited to those that directly relate to the report's scope as outlined on page 1. The Council and the Council's System Integration Technical Advisory Committee (SITAC) will continue to work with system partners to resolve these issues in order to ensure the accuracy and utility of this report in subsequent years.

ISSUE 1 – *Full adoption of the National Center for Education Statistics dropout rate for secondary education.*

Status – Originally identified in 2004, this issue was considered resolved last year as, effective with the 2007 reporting cycle (academic year 2005-06), the Texas Education Agency (TEA) is conforming to federal reporting requirements issued by the National Center for Education Statistics (NCES). However, due to the federal regulatory changes outlined below, this issue will remain open for further review and monitoring.

Overview – As of 2007, the prior definition and methodology for reporting to the Council no longer applied as TEA changed state reporting to conform to federal reporting requirements issued by the NCES. A detailed explanation of the definitional differences was provided as an attachment to the *Evaluation 2004* report.

The Council requested data for the 2004-2006 reporting cycles in order to calculate longitudinal trend information. Estimated data submitted by TEA was published in the *Evaluation 2007 Data Addendum*; however, it has not been used to establish the new benchmark due to data limitations. Data received for the 2007 reporting cycle has been used to set the benchmark.

The Dropout Rate presented in the **Less Formal Measures** section reflects the annual dropout rate (i.e., the percentage of students who drop out of school during one school year) reported by TEA in accordance with the NCES definition. In addition, TEA publishes a longitudinal dropout rate (i.e., the percentage of students from a class of beginning 7th or 9th graders who drop out before completing high school). For reference, additional information on methods of rate calculation from TEA's *Secondary School Completion and Dropouts in Texas Public Schools, 2006-07* report is provided on the following page.

Future Considerations – In developing the new workforce system strategic plan and associated performance reporting requirements, key considerations include:

- ▶ **Federal Regulatory Changes** – The U.S. Department of Education has published final regulations for programs administered under the Elementary and Secondary Education Act, as amended. Key areas addressed by the revised regulations include the establishment of a uniform and accurate method for calculating graduation rates for

Table 1⁵² - Common Methods of Measuring Student Progress Through School

	Annual dropout rate	Completion rate	Longitudinal dropout rate	Attrition rate
Description	The percentage of students who drop out of school during one school year.	The percentage of students from a class of beginning seventh or ninth graders who graduate, receive General Educational Development (GED) certificates, or are still enrolled in the fall after the class graduates.	The percentage of students from a class of beginning seventh or ninth graders who drop out before completing high school.	The percentage change in enrollment between Grade 9 and Grade 12 across years.
Calculation	Divide the number of students who drop out during a school year by the total number of students enrolled that year.	Divide the number of students who drop out by the end of Grade 12, or the number who complete school, by the total number of students in the original seventh- or ninth-grade class. Students who enter the Texas public school system over the years are added to the class; students who leave the system are subtracted.		Subtract Grade 12 enrollment from Grade 9 enrollment three years earlier, then divide by the Grade 9 enrollment. The rate may be adjusted for estimated population change over the three years.
Advantages	<ul style="list-style-type: none"> • Measure of annual performance. • Requires only one year of data. • Can be calculated for any school or district with students in any of the grades covered. • Can be disaggregated by grade level. 	<ul style="list-style-type: none"> • More consistent with the public's understanding of a dropout rate. • Districts have more time to encourage dropouts to return to school before being held accountable. • More stable measure over time. • The completion rate is a more positive indicator than the dropout rate, measuring school success rather than failure. 		Provides a simple measure of school leavers when aggregate enrollment numbers are the only data available.
Disadvantages	<ul style="list-style-type: none"> • Produces the lowest rate of any method. • May not correspond to the public's understanding of a dropout rate. 	<ul style="list-style-type: none"> • Requires multiple years of data; one year of inaccurate student identification data can remove a student from the measure. • Program improvements may not be reflected for several years, and districts are not held accountable for some dropouts until years after they drop out. • Can only be calculated for schools that have all the grades in the calculation and that have had all those grades for the number of years necessary to calculate the rate. Since few high schools have Grades 7 and 8, longitudinal dropout and completion rates are often calculated for Grades 9-12. • Does not produce a dropout rate by grade. 		<ul style="list-style-type: none"> • Produces the highest rate of any method. • Does not distinguish attrition that results from dropping out from attrition resulting from students being retained, moving to other schools, graduating early, etc. • Does not always correctly reflect the status of dropouts; adjustments for growth can further distort the rate. • Cannot be used in accountability systems because it is an estimate.
Remarks	A Grade 7-12 annual dropout rate has been calculated by the Texas Education Agency (TEA) since 1987-88. In 2003, the Texas Legislature required districts and TEA to adopt the national dropout definition beginning with students who left Texas public school in 2005-06.	The completion rate is calculated such that the longitudinal dropout rate and completion rate add to 100 percent.	Dropouts are counted according to the dropout definition in place the year they drop out. Students in the class of 2007 who left school during 2005-06 or 2006-07 were subject to the national dropout definition, whereas students from the same class who dropped out prior to the 2005-06 school year were subject to a different definition.	The attrition rate reported by TEA is not adjusted for growth.
TEA 2006-07	Annual dropout rate Grades 7-12: 2.7% Grades 9-12: 3.9% Grades 7-8: 0.4%	Completion I rate ^a Grades 7-12: 86.5% Grades 9-12: 86.7% Completion II rate ^b Grades 7-12: 88.4% Grades 9-12: 88.6%	Longitudinal dropout rate Grades 7-12: 11.6% Grades 9-12: 11.4%	Unadjusted attrition rate Grades 7-12: 16.9% Grades 9-12: 30.0%

^aCompletion I consists of students who graduated or continued high school. ^bCompletion II consists of students who graduated, continued high school, or received GEDs.

⁵² TEA, *Secondary School Completion and Dropouts in Texas Public Schools, 2006-07*, Table 1 (August 2008).

Adequate Yearly Progress purposes. Beginning 2010-11⁵³, states will have to calculate a 'four-year adjusted cohort graduation rate' using the method outlined below:

The number of students who graduate in four years with a regular high school diploma divided by the number of students who form the adjusted cohort for that graduating class. 'Adjusted cohort' means the students who enter grade 9 (or the earliest high school grade) and any students who transfer into the cohort in grades 9 through 12 minus any students removed from the cohort. To remove a student from the cohort, a school or LEA⁵⁴ must confirm in writing that the student transferred out, emigrated to another country, or is deceased. A student who is retained in grade, enrolls in a General Educational Development (GED) program, or leaves school for any other reason may not be counted as having transferred out for the purpose of calculating graduation rate and must remain in the adjusted cohort.⁵⁵

- ▶ *Governor's Competitiveness Council Recommendation* – Charged with identifying issues affecting Texas' competitiveness in the global marketplace, the Competitiveness Council's recommendations were presented to the Governor on August 6, including the following:

Ensure students graduate college- and workforce-ready: ... Schools must be held accountable each year for ensuring students are on path to achieve college and workforce readiness by graduation and for the number of ninth grade students who complete high school and enroll in, and complete, postsecondary education.

ISSUE 2 – Continued improvements to the data collection, submission, review and reporting processes.

Status – First noted in 2006, this issue is being carried over as the Council continues to work with partner agencies to clarify reporting expectations and to incorporate additional process improvements, where applicable. As this, and future iterations of annual evaluation reports are produced, it is essential that comparable data sets be reported by agencies, per Formal measure definitions and methodologies, for longitudinal tracking and analysis.

Overview – As noted previously, statute requires that the report include program-level data, creating challenges related to the submission and presentation of aggregate versus unduplicated data. The Council strives to utilize existing reporting parameters, as appropriate, within the constraints of statutory mandates.

Since performance measure definitions and methodologies were negotiated and approved in 2004, the Council and partner agencies have worked to identify and implement process improvements for all work phases associated with the report's preparation. In many cases, agencies provide supplemental data that aids in presenting a more comprehensive overview of Texas' workforce system outcomes.

For the 2005-2008 evaluation cycles, some partner agencies identified a need to revise prior year data for a variety of reasons. In a few cases, agencies have been asked to resubmit some program data when it was determined that the approved methodology had not been followed for a given reporting cycle(s). The 2005-2008 reports include data addenda provided to publish and disseminate the revised information. Percentage point differences presented in the annual evaluation reports reflect these revised prior year data unless otherwise noted.

⁵³ The final regulations permit a state that cannot meet the 2010-11 deadline to request an extension from the U.S. Secretary of Education by March 2, 2009.

⁵⁴ Local educational agency.

⁵⁵ Federal Register, Vol. 73, No. 210 (October 29, 2008).

Future Considerations – The definitions and methodologies approved for reporting to the Council are very specific and align with the federal common measures where possible. It is incumbent on partner agencies to communicate the reporting requirements to appropriate agency staff and to ensure that submitted data meets the agreed-to specifications. In addition, reporting is facilitated when agencies notify the Council in a timely manner of potential changes required by federal or state legislation or by the issuance of new federal regulations or guidance.

As work on the new system strategic plan proceeds, the Council will work with partner agencies to build upon process improvements made to date. Lessons learned during the *Destination 2010* plan cycle will be taken into account as Long Term Objectives (LTOs), performance measure definitions and methodologies are established. Data submitted for this *Evaluation 2008* report will be used to set performance targets for the new plan.

ISSUE 3 – *Employer use of workforce system products and services.*

Status – In 2006, the Council produced a State of the Workforce Report addressing employer use of and satisfaction with workforce system products and services, a topic that is the focus of two LTOs. The report included a preliminary assessment⁵⁶ of partner agency current and planned evaluation efforts related to employer use and satisfaction.

At their June 2006 meeting, the Council endorsed the general recommendation that staff work with SITAC to (1) proceed with implementation of the LTOs and (2) prepare for the system strategic planning process that is currently underway. This issue will be carried over as these efforts continue.

Overview – Since 2005, SITAC has been working to implement two LTOs and a third, related LTO requires system partners to ‘design and implement a methodology and system for identifying and assessing employer needs’. Last year, the determination was made to focus on agency-specific projects during the *Destination 2010* plan period, recognizing the different service strategies currently in place at the agency- and/or program-level. Agency work is underway on 12 projects with quarterly reporting to SITAC. More detailed information is provided in the **System Accomplishments** section.

Data obtained and lessons learned from individual agency projects are expected to provide valuable information for the system strategic planning process.

Future Considerations – System partners must continue their efforts to become more familiar with employers’ awareness and perception of existing services as well as information about their projected hiring and training needs. Timely, effective service delivery will be critical as the partners strive to increase employer use rates by helping to ensure the availability of an adequate workforce for Texas’ changing economy. Partner agency work to assess employer use of and satisfaction with workforce system products and services will continue under the new system strategic plan. Information obtained from the ‘employer use’ projects and other initiatives started during the *Destination 2010* plan cycle will further inform planning and implementation efforts.

Over the new strategic plan cycle, programs and services must be designed or adapted for employers of all sizes. Over 98% of Texas’ businesses are classified as small (i.e., under 500

⁵⁶ System partners are responsible for the delivery of 25 programs and services focused on education, workforce education and workforce training. Many of these, in particular the many programs administered by TWC and by local boards (e.g., programs funded under the Workforce Investment Act) were not included in the survey, as information about applicable federal and state performance reporting requirements is documented and readily available.

employees). Nationally, such enterprises employ about half of all private sector employees, including 40% of high tech workers such as scientists, engineers and computer workers.⁵⁷

In the longer-term, consideration might be given to additional cross-agency efforts for new and incumbent worker services, building on lessons learned from programs such as Project RIO (Re-Integration of Offenders), Adult Basic Education and those designed for Temporary Assistance to Needy Families recipients.

⁵⁷ U.S. Small Business Administration – Office of Advocacy, “Frequently Asked Questions” (August 2007).

DATA ADDENDUM TO *EVALUATION 2007: ACCOMPLISHMENTS AND OUTCOMES OF THE TEXAS WORKFORCE DEVELOPMENT SYSTEM* _____

Introduction

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

In preparing the 2008 evaluation, one partner agency identified a need to submit corrected data for the 2004, 2005, 2006 and 2007 reporting cycles. This addendum is provided to publish and disseminate the revised information submitted by the Texas Education Agency (TEA).

Texas Education Agency Revised Data

TEA submitted revised 2004-2007 Entered Employment and Employment Retention data for the Adult Education (WIA II) program. Corrections were required to ensure compliance with the U.S. Department of Education’s (ED) National Reporting System (NRS) requirements.

Data was revised to reflect the NRS method for determining the weighted percentage. The denominator in the previous submission included all exiters with a goal of ‘entered employment’ or ‘retained employment’, as applicable. After further review of the NRS requirements and advice from the ED, TEA determined that the denominator should be further narrowed to include only individuals with an Unemployment Insurance (UI) data match for the appropriate time period. To have a valid data match, a Social Security Number is required; thus, further decreasing the denominator.

Revised 2004 data:

Program	Number Employed	Rate	Retained Employment	Rate
Adult Education (WIA II)	275	50.64%	343	73.61%

Revised 2005 data:

Program	Number Employed	Rate	Retained Employment	Rate
Adult Education (WIA II)	256	54.35%	460	65.81%

Revised 2006 data:

Program	Number Employed	Rate	Retained Employment	Rate
Adult Education (WIA II)	193	56.93%	732	70.38%

Revised 2007 data:

Program	Number Employed	Rate	Retained Employment	Rate
Adult Education (WIA II)	604	59.62%	906	68.02%

Summary

The revised 2004-2007 data submitted by TEA and reported above was used by the Council to compare and evaluate the data submitted for the 2008 evaluation report. It forms the basis for all comparative analysis included in the 2008 report. As noted throughout the **Report Card Series** section of this report, this revised data was used to calculate percentage point changes.

As noted in *Issue 2* in the preceding section, the Council will work with partner agencies to make continued improvements to the data collection, submission, review, and reporting processes.

Texas Workforce Investment Council

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Texas Department of Criminal Justice
Texas Education Agency
Texas Health and Human Services Commission*

*Texas Higher Education Coordinating Board
Texas Veterans Commission
Texas Workforce Commission
Texas Youth Commission*

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The Mission of Texas Workforce Investment Council

*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
1100 San Jacinto, Suite 1.100
Austin, Texas 78701
(512) 936-8100
www.governor.state.tx.us/divisions/twic