

Workforce Area Redesignation



Both Texas Government Code and the federal Workforce Innovation and Opportunity Act charge the Council with recommending to the Governor the designation or redesignation of workforce development areas. On June 20, 2016, the Council received a written request for local workforce development area redesignation. The request was to move McMullen County from the Coastal Bend workforce development area to the Alamo workforce development area.

Texas Administrative Code provides for a process and a number of key requirements and steps in the Council’s consideration of a redesignation.

1. *Acknowledgement and Summary Action.* The Council director acknowledged receipt and subsequently notified the Governor on June 27, 2016, of the request.
2. *Contents of the Written Request.* The request complied with state requirements for a local workforce development area and was determined to be complete on July 11, 2016.
3. *Notification of Proposal or Request.* The Council published a notice of the request in the *Texas Register* for a public comment period of 30 days. The public comment period was August 5, 2016, through September 4, 2016.
4. *Notification of Local Workforce Development Board Members.* The Council director sent a letter on July 21, 2016, to notify workforce development board members of the affected areas by the request.
5. *Public Hearing.* The Council’s executive committee held a public hearing on September 8, 2016, to receive oral comments on the request.
6. *Consideration of Request.* Based on the written request and public comments, the Council’s executive committee made a report and recommendation to the full Council.
7. *Recommendation.* On December 9, 2016, the Council affirmed that the request complied with the required documentation to support the redesignation and recommended the request to the Governor for his consideration.

The request for redesignation met the requirements of Texas Government Code §2308.252, which mandates that a local workforce development area:

- Is composed of more than one contiguous unit of general local government that includes at least one county;
- Is consistent with either a local labor market area, a metropolitan statistical area, one of the 24 substate planning areas, or one of the 10 uniform state service regions; and
- Is of a size sufficient to have the administrative resources necessary to provide for effective planning, management, and delivery of workforce development.

The Governor approved the redesignation request on January 27, 2017.

Texas Workforce System Partners and Programs

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

The table below shows the partners and primary and supporting programs that constitute the FY 2017 Texas workforce system:

FY 2017 Texas Workforce System Partners and Programs	
<p>Texas Department of Criminal Justice</p> <ul style="list-style-type: none"> • Postsecondary Academic and Technical Education • Windham School District Secondary Academic Education Secondary Technical Education <p>Texas Education Agency</p> <ul style="list-style-type: none"> • Secondary Schools Academic Education Career and Technical Education <p>Texas Health and Human Services Commission</p> <ul style="list-style-type: none"> • Temporary Assistance for Needy Families <p>Texas Higher Education Coordinating Board</p> <ul style="list-style-type: none"> • Community and Technical Colleges Academic Education Technical Education 	<p>Texas Juvenile Justice Department</p> <ul style="list-style-type: none"> • Secondary Academic Education • Secondary Technical Education <p>Texas Veterans Commission</p> <ul style="list-style-type: none"> • Veterans Employment and Training <p>Texas Workforce Commission</p> <ul style="list-style-type: none"> • Adult Education and Literacy • Apprenticeship Training, Chapter 133 • Blind Services • Choices Program for TANF Adults • Employment Services • Rehabilitation Services • Self-Sufficiency Fund • Senior Community Service Employment Program • Skills Development Fund • Supplemental Nutrition Assistance Program Employment and Training • Trade Adjustment Assistance/NAFTA • Workforce Innovation and Opportunity Act Adult Dislocated Workers Youth



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



**Annual Report
Fiscal Year 2017
September 1, 2016–August 31, 2017**

About the Council’s Role in the Texas Workforce System

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

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

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

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

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

Planning System Progress



The Council launched the **industry-based certification system initiative** to identify and track third-party, industry-based certifications to increase the workforce system's capacity to produce workers with these postsecondary credentials for occupations that are growing in the state. The initiative is based on research performed by the Council on third-party, industry-based certifications for middle-skill science, technology, engineering, and mathematics (STEM) occupations in Texas. Council research found that middle-skill STEM occupations are growing and demonstrate strong employment outcomes.

Additional research determined that third-party, industry-based certifications are underutilized credentials that have value in this segment of the labor market. The Council conducted further research to define the middle-skill STEM occupations in Texas and developed a list of industry-based certifications associated with the occupations. The Council charged a task group of workforce system partners and stakeholders to identify a process to determine a list of third-party, industry-based certifications that are critical to employment in middle-skill STEM occupations in Texas. The task group's preliminary analysis revealed the need to solicit feedback directly from employers. In making the recommendation that the process must include feedback from employers in the regions, the task group considered both local workforce development boards and community and technical colleges as the gateway entity to coordinate the feedback process. Ultimately, the task group recommended that local boards lead the process—to gather employer feedback. The project timeline allows for three months to solicit employer feedback. The Council will aggregate results from local boards and the results will be published for system stakeholders.



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

The Council considered plans to develop a product repository to support the strategic system initiative to leverage discretionary **Wagner-Peyser 7(b) grant outcomes** in Texas. The Wagner-Peyser 7(b) program allocates federal discretionary funds to the Office of the Governor and the Governor may reserve up to 10 percent of the state's allotment. The program funds workforce training and job placement services intended to increase both wages and job retention through labor exchange services, special needs populations, youth programs, and training through competitive grants. This grant program supports innovation in the delivery of services designed to lead to stronger employment outcomes. The repository would allow the state to collect, store, and disseminate products to increase efficiency in the development of services funded by this competitive grant program.

Evaluating System Progress



The Council is required by Texas Government Code, Chapter 2308, to monitor the state's workforce system. Annually, the Council reports to the Governor and legislature on the degree to which the system is achieving the state and local workforce goals and objectives of Texas' workforce system strategic plan, *The Texas Workforce System Strategic Plan FY 2016–FY 2023*. **Evaluation 2016** is the Council's initial evaluation for the eight-year strategic plan period. The report's focal point is a balanced scorecard with outcome and trend data for program and system performance related to the strategic plan's four goal areas attributable to the efforts and actions of partner agencies.

The Council is charged with the approval of the **Texas combined state plan under the Workforce Innovation and Opportunity Act (PY 2016 – PY 2019)**. The strategic element of the plan describes the state's visions, goals, and strategies for preparing an educated and skilled workforce to close the skills gap and meet employer needs. The operational element of the plan describes each program and the operating systems and policies that support implementing the strategies. In June 2017, the Council considered endorsement of two changes to the combined state plan that required the Governor's approval. The plan was first amended to add the combining of the former Department of Assistive and Rehabilitative Services Division for Rehabilitation Services and Division for Blind Services. The plan was also modified to incorporate the redesignation of McMullen County from the Coastal Bend workforce area to the Alamo workforce area. The Governor approved the combined state plan on June 28, 2017.

The Workforce Innovation and Opportunity Act (WIOA) requires the Council to assist the Governor in the review of **local workforce development board plans**. Each local board is required to develop and submit to the Governor a comprehensive four-year local plan consistent with the WIOA state plan. Local boards are also required to develop a plan that has goals and objectives that are consistent with statewide goals, objectives, and performance standards, which are documented in *The Texas Workforce System Strategic Plan FY 2016–FY 2023*. The board plans were evaluated and the results were reported to the Council in June 2017. The Council recommended final approval to the Governor, who subsequently approved the plans on June 28, 2017.

The Council is responsible for making apprenticeship **funding formula recommendations** related to the distribution of available funds in the next fiscal year for the apprenticeship programs funded under Chapter 133 of the Texas Education Code. The Council considers the rate of reimbursement for contact hours made to training providers of apprenticeship programs; funding for new and existing apprenticeship programs that have not yet received Chapter 133 funds; and apprenticeship instructor training. On March 9, 2017, the Council approved and transmitted to the Texas Workforce Commission the funding formula recommendations of the Apprenticeship and Training Advisory Committee.

Conducting Research

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



Mature Workers in Texas: A Demographic Study focuses on the growing population of individuals aged 55 and over and the potential retirement of a large portion of the Baby Boom generation. While the mass retirement of this population is a concern, the research in this study shows the labor force participation rate for workers in this age group is actually increasing—a result of the need or desire of this population to stay in the labor force. Strategies to attract, retain, and retrain mature workers must be developed to best improve outcomes for this key population of experienced workers.

The Council monitored the activity of the **85th Regular Session of the Texas Legislature** for bills of particular importance to the Council, its partner agencies, and other stakeholders in Texas' workforce system. Council staff tracked bills that, if passed, would have a significant effect on the programs or agencies in the Texas workforce system. In particular, the Council focused on those legislative actions that would fund critical needs, expand capacity, align programs, and expand career pathways for all Texans. During the regular session, the legislature passed and the Governor signed 19 of the 78 bills that were tracked by the Council.



Texas Government Code charges the Council with strategic planning for and evaluation of the Texas workforce system. As part of the Council's continuing research on workforce related issues, **The Gig Economy in the U.S.** has been identified as a growing area that will impact the future of Texas workers. In a gig economy, temporary, flexible on-demand jobs are commonplace and companies tend toward hiring independent contractors and freelancers instead of full-time employees and using technology as the bridge between traditional employment and gig jobs. The possibility for the gig economy to become an engine of economic and social transformation will increase as technology continues to evolve and may represent a significant shift in the labor force composition that can impact both the U.S. economy and the Texas workforce system.

The Council also published a primer on **Customized Training in Texas**. The report provides a high-level overview of the Skills Development Fund and the Self-Sufficiency Fund programs. Both programs provide training that helps future and current workers develop the skills needed to gain or retain employment in high-growth, high-demand occupations. The Skills Development Fund and the Self-Sufficiency Fund programs are employer-specific and the training curriculum is tailored to the employer's needs.