

Texas Workforce Investment Council Annual Report



Council Purpose

The Texas Workforce Investment Council (Council) assists the Governor and the Legislature with strategic planning for and evaluation of the Texas workforce development system; promotes the development of a well-educated, highly skilled workforce for Texas; and advocates for the development of an integrated workforce development system that provides quality services.

The Council also serves as the State Workforce Investment Board under the federal Workforce Investment Act of 1998.

Council Functions

The Council performs four primary functions in the Texas workforce development system:

- System Planning and Capacity Building
- System Evaluation and Performance Measurement
- System Research and Continuous Improvement
- System Review

Council Products

Council products include a strategic plan for the workforce development system, annual evaluation reports and resource publications, occasional papers and reports on critical emerging issues, and recommendations to the Governor.

Council Strategy

The Council facilitates collaboration, coordination, innovation and leveraging of resources at the system level between system partners. The Council encourages state-level linkages between economic and workforce development and education, and facilitates solutions to identified system gaps through the coordination of interagency efforts and resources.

The Texas Workforce Development System

The Texas workforce development system is comprised of a number of programs, services and initiatives administered by eight state agencies:

- Economic Development and Tourism, Office of the Governor
- 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

In addition, system partners and stakeholders include local workforce development boards, independent school districts, community colleges, economic development entities, employers and other system users.

Council Members

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

Fiscal Year 2007

September 1, 2006 – August 31, 2007



Texas Workforce Investment Council

September 2007

John W. Sylvester
Chair

Sharla E. Hotchkiss
Vice Chair

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Aaron Demerson

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Graham

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Raymund Paredes

Robert Scott

Larry Temple

John W. Wroten

Cheryl Fuller
Director

Dear Fellow Texan:

The Texas Workforce Investment Council (Council) is pleased to present its Annual Report for Fiscal Year 2007. The Council assists the Governor and the Legislature with strategic planning for and evaluation of the Texas workforce development system, which is comprised of eight state agencies and 25 diverse and dynamic programs. The Council's strategic priority is to promote the linkage of education, workforce and economic development in order to leverage resources, increase collaboration among state and local partners, and build the pipeline of skilled workers that Texas must have to prosper in the 21st century.

The Annual Report provides a brief summary of the Council's activities in Fiscal Year 2007 and features key products that demonstrate the Council's fulfillment of state and federal mandates for each of its primary functions in the workforce system: planning, evaluation, research and review. The Annual Report also highlights the Council's work in Fiscal Year 2007 to facilitate collaboration among system partners and to raise awareness of critical and emerging issues that impact the workforce system.

Finally, the Annual Report includes a snapshot of adult basic education and the critical need of many Texas citizens for these services. We look forward to continuing our work in Fiscal Year 2008 to produce products and hold discussions that inform the deliberations and decisions of policy makers, and encourage meaningful partnership and collaboration among workforce system partners and stakeholders.

Sincerely,

John W. Sylvester, Chair
Texas Workforce Investment Council

SUPPORTING AND FACILITATING SYSTEM IMPROVEMENT

A critical part of the Council's work is to advocate improvement and enhancements in the workforce system. The Council fulfills this role by supporting and facilitating collaboration among system partners and by providing information to increase awareness of, and support partners' efforts to, address emerging and critical issues.

PARTNER COLLABORATION

System Integration Technical Advisory Committee (SITAC) - In 2003, the Chair of the Council appointed SITAC to monitor and facilitate implementation of *Destination 2010: FY2004-FY2009 Strategic Plan for the Texas Workforce Development System (Destination 2010)*. This eleven-member committee, chaired by the Council Vice Chair, includes representatives from the eight partner agencies and the Texas Association of Workforce Boards.

In FY 2007, SITAC continued to monitor implementation of critical Long Term Objectives. Key accomplishments included the launch of the refined Texas Work Explorer Portal on the TexasOnline website. In addition, agency action plans addressing the employer use of and satisfaction with system products and services were developed with the eight partner agencies. Agency action items include system capacity building projects and the collection of data for program planning and evaluation. SITAC will review agency progress as work proceeds in preparation for the next strategic planning cycle that will begin in late 2008.

Adult Basic Education (ABE) - Since 2003, the Council and its ABE partners – Texas Education Agency (TEA)/Texas LEARNS, Texas Workforce Commission, and Texas Higher Education Coordinating Board – have worked to identify issues and develop an action plan that outlines long-term strategies for improvement. In December 2005, the Council approved the ABE strategic action plan to be included in the 2006 update to *Destination 2010*.

In FY 2007, the Council, through SITAC, continued to facilitate implementation of the ABE strategic action plan. Partners continued to implement system enhancements that will improve ABE outcomes, further integrate local service delivery, and ensure ongoing collaboration at the state and local levels. For example, the Workforce Literacy Resource Team, with representatives from employers, local adult education providers, local workforce boards and the three partner agencies, worked to increase collaboration among employers, local boards and ABE providers. In addition, the Industry-Specific Curriculum Development project established by the 79th Texas Legislature required TEA to develop demand-driven workplace literacy and basic skills curriculum. The project targets adults with limited English language proficiency. Curricula, teacher and administrator resources are being developed for the industry sectors of healthcare, sales and service, and construction and manufacturing trades. After completion of a 'soft launch' in 2006, teacher training and pilot implementation continued in 2007.

The 80th Texas Legislature included two riders in the appropriations bill that require the three partner agencies to collaborate on certain activities to further alignment between ABE and postsecondary education. In late FY 2007, the Council convened a meeting with its ABE partners to discuss Council and partner roles and strategies for implementing the two riders.

INFORMATION AND AWARENESS

State of the Workforce Reports - Periodically, the Council produces State of the Workforce Reports that provide information or raise awareness of issues that are important to the Texas workforce system. FY 2007 reports include:

(1) *State of the Workforce Report – Texas Industry Cluster Initiative* – documents regional industry cluster initiatives in Texas, and the degree to which they align to and complement the statewide target industry cluster initiative announced by Governor Rick Perry in October 2004. This report summarizes responses to a Council survey administered to local workforce boards and Metro 8 Chambers of Commerce.

Twenty-six local boards and five Metro 8 Chambers reported having completed an industry cluster assessment of their region. Regional assessments reflect a high degree of alignment with the six clusters, and associated sub-clusters, in the statewide industry cluster initiative. All assessed regions include at least one of the six statewide target clusters; most include two or more. Survey respondents also reported examples of regional strategies and barriers to implementation.

(2) *Issues in Welfare to Work: A State of the Workforce Report on State Issues Arising from TANF Reauthorization* – analyzes the recently reauthorized federal law and its impact to Texas TANF programs. The report provides options to address the negative consequences of the reauthorized law, and makes recommendations for consideration by policy makers. Senate Bill 589, 80th Texas Legislature, includes changes consistent with the Council's recommendations.

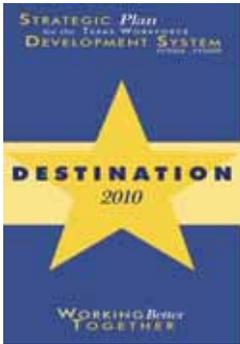
Recommendations to the Governor – Council members discussed emerging issues and critical priorities for the workforce system during their FY 2007 quarterly meetings. Three recommendations were submitted to the Governor in December 2006.

(1) The Council recommended that the Governor advocate for the value and appropriate funding of postsecondary education and training, and for the spectrum of options available to Texans to attain the skills and knowledge necessary to compete in a global economy.

(2) The Council concurred with the request for funding and support for Texas community and technical colleges made by the Texas Higher Education Coordinating Board in their Legislative Appropriations Request for FY 2008 and FY 2009.

(3) The Council recommended that the Governor continue to advocate for increased collaboration and integration among the eight state agencies and local partners that are part of Texas' complex and comprehensive workforce system.

SYSTEM PLANNING AND CAPACITY BUILDING



In state law, one of the primary responsibilities of the Council is to develop and recommend to the Governor a single strategic plan that establishes the framework for the Texas workforce system. *Destination 2010: FY2004 - FY2009 Strategic Plan for the Texas Workforce Development System*, is the third plan developed by the Council in collaboration with workforce system partners since the Council's creation in 1993.

Destination 2010 includes nine strategic goals, twenty-two long term objectives, and three types of performance measures: system, strategy-critical, and capacity building. *Destination 2010* also includes strategic action plans (SAPs) that identify the accountable agency and include timelines for implementation of each long term objective. The plan reflects the overarching strategic issues and strategies identified and developed by system partners and the Council in late 2003. While it fulfills the role and legislative planning responsibilities of the Council, more importantly, it provides a solid foundation and pathway for attainment of the plan's vision:

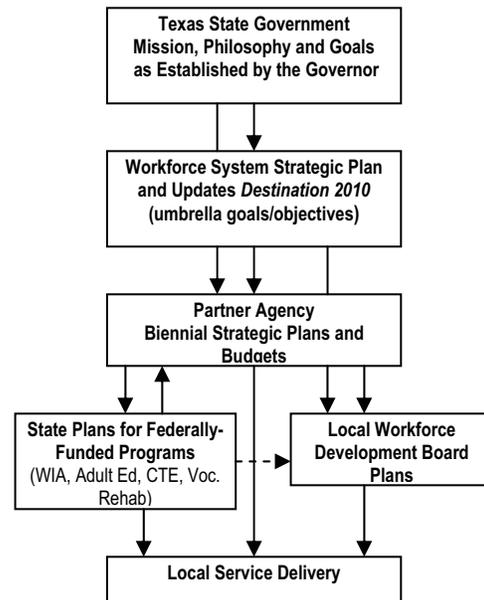
Texas has a world-class workforce system that promotes a higher quality of life through economic, employment, and educational success.

The dynamic nature of the planning process provides for annual progress evaluations and recommendations for further action. The SAPs are modified in the form of annual updates to indicate accomplishments and milestones achieved as well as other applicable changes such as the addition of dependencies or tracking measures.

The Council approved the 2007 Update to *Destination 2010* in March 2007. The update was subsequently approved by the Governor. The fourth annual update includes changes to SAPs and Agency Action Plans. A significant change was made to include the Texas Veterans Commission (TVC) as an accountable participant for four SAPs. During the 79th Legislative session, House Bill 2604 transferred the veterans' employment services from the Texas Workforce Commission to TVC. Effective April 1, 2006, the transfer introduced the new partner agency to the activities of the system and the Council.

Role of the System Strategic Plan - *Destination 2010* does not duplicate other Texas Workforce Plans, but provides a complimentary and overarching framework within which system partners can focus on important issues that cross agencies and work together to strengthen critical intersections in the pipeline of skilled workers that Texas must have to compete successfully in the 21st century.

The following flowchart shows how *Destination 2010* links to the strategic and operational plans of partner agencies and local boards:



State agencies are required to submit an updated five-year strategic plan each biennium. State law requires that state agency plans demonstrate alignment to the strategic goals and objectives in the system strategic plan. State law also requires that local workforce development boards demonstrate alignment to the statewide goals and objectives in *Destination 2010*.

System Challenges and Opportunities - In FY 2007, the Council prepared a State of the Workforce Report summarizing the challenges and opportunities identified by system partner agencies as reported in their FY 2007-FY 2011 agency strategic plans. Six common themes emerged from agency plans:

- (1) Impact of changing demographics,
- (2) Significance of economic drivers,
- (3) Consequence of educational attainment and college readiness,
- (4) Priority of workforce skill demands,
- (5) Changing funding and policy, and
- (6) Importance of effective partnerships.

These challenges and opportunities are not unique to Texas nor are they new to system partners and stakeholders. These themes were also identified in 2003 as a part of the internal/external assessment for *Destination 2010*. The Council and partner agencies are working both individually and collaboratively to implement strategies and programs that address each area. These common themes, and others that may emerge in the next two years, will be examined in more detail as part of the next strategic planning cycle in FY 2009.

Future Actions: In FY 2008, the Council will continue its work with system partners to implement *Destination 2010*, and will continue to gather and produce information to prepare the Council and system partners for development of the next system strategic plan in FY 2009.

SYSTEM EVALUATION AND PERFORMANCE MEASUREMENT



The Council is responsible for evaluating the effectiveness of the Texas workforce system by carrying out specific duties in state and federal law. One of the Council's primary system evaluation products is an annual report to the Governor and the Legislature. In FY 2007, the Council published its seventh annual report, *Evaluation 2006: Accomplishments and Outcomes of the Texas*

Workforce Development System. The report describes the progress by workforce system partners to implement the system strategic plan and provides data on the outcomes of workforce system programs.

Evaluation 2006 reports the Council's work to fulfill four legislative requirements:

- Report annually on implementation of the workforce system strategic plan,
- Report annually on Formal and Less Formal measures for the workforce system,
- Facilitate integrated adult basic education services through implementation of the Strategic Action Plan for improved adult education services in Texas, and
- Assess the degree to which the system is effective in achieving state and local objectives, as determined by reviewing local board plans and progress reports to determine alignment with *Destination 2010*.

In *Evaluation 2006*, system performance is again presented in a series of five report cards that contain data reported by partner agencies on the Formal and Less Formal measures for the workforce system. The Council endorsed and the Governor approved the current measures in late 2003. The measures capture, at both the program and system levels, critical outcomes that the Texas workforce system delivers through the efforts and actions of eight partner agencies and their local delivery entities, including local workforce development boards and workforce centers, community and technical colleges, correctional facilities for adults and youth, and independent school districts.

The System Report Card in *Evaluation 2006* (shown) contains aggregate data for the four Formal measures, with the data sets combined across programs, as well as data for the eight Less Formal measures. The report card series also includes four Formal Measure report cards and analysis for each. With three years of data available, *Evaluation 2006* also included a comparison of data reported in 2004, 2005 and 2006.

Evaluation 2006 reports that almost 4.8 million individuals received workforce system services, over one million entered employment, over one million retained employment, and 443,481 program participants completed a degree, certificate or other measure of educational achievement.

Formal Measures	Actual	Percent	Change 2005-2006	Cumulative 2004-2006
Educational Achievement	443,481	80.14%	0.40%	1.02%
Entered Employment	1,070,932	76.91%	1.13%	4.45%
Employment Retention	1,050,459	82.39%	0.55%	2.60%
Customers Served	4,781,007	N/A	4.23%	1.31%
Less Formal Measures				
Educational Transition	129,265	53.92%	0.80%	0.90%
Educational Participation	1,183,476	5.26%	0.01%	0.10%
Secondary Dropout	18,290	0.94%	0.08%	0.03%
Constructive Activity	1,790	58.10%	0.41%	6.78%
TANF Recidivism	13,900	44.64%	-1.36%	0.96%
Pre-release Placement	1,753	5.42%	2.24%	4.43%
Jobs Created	7,650	N/A	24.03%	12.97%
Jobs Retained	16,390	N/A	-5.65%	28.90%

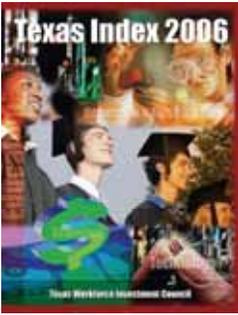
Evaluation 2006 also outlines issue areas that require review or action by system partners in the ensuing months. Two issues highlighted in the report relate to performance measure definition and methodology.

Data Revisions – 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 preparation of the annual evaluation report. In many cases, agencies have provided supplemental data that aids in presenting a more comprehensive overview of Texas' workforce system outcomes.

For the 2005 and 2006 evaluation cycles, some partner agencies identified a need to revise prior year data. In addition, 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 and 2006 reports include data addenda to publish and disseminate the revised information. As this, and future iterations of the annual evaluation report are produced, it is essential for the quality and accuracy of longitudinal tracking and analysis, that comparable data sets be reported by agencies according to the approved definitions for the Formal and Less Formal measures.

Dropout Rate - *Destination 2010* includes a long term objective to reduce student dropouts from public schools between grades 7 and 12. In FY 2007, the Texas Education Agency adopted the National Center for Education Statistics (NCES) dropout rate for secondary education, as required by Senate Bill 186, 78th Legislature. Prior year's data will be amended to and replaced by NCES-conforming data for the purposes of longitudinal analysis.

Future Actions: In future annual evaluation reports, the Council will be able to include more in-depth longitudinal analysis as additional data is submitted each year for workforce system programs. In addition, the Council will continue to work with partner agencies to clarify performance measure definitions and data expectations, and to incorporate additional process improvements, where applicable.



Integral to the Council's work is collection and analysis of demographic and economic data, as well as state and national publications on current and emerging trends. This research informs the Council's system planning and evaluation activities, and is the focus of several Council products.

In early FY 2007, the Council produced the *Texas Index 2006 (Index)*, the second annual release, providing a snapshot of the state's general workforce, education, and economic health. The *Index* is produced as a resource for the Council, the Governor, policy makers, and workforce system partners and stakeholders.

The *Index* provides trend data for 39 economic indicators across four domains: Participant Access and Contribution; Training and Education; Research and Development; and Market Composition and Characteristics. The *Index*, its domains and indicators within those domains, demonstrate a value proposition that contains four critical, interrelated elements: intellectual capital, human capital, financial capital, and a rising standard of living for Texas citizens. The state's efforts to improve intellectual, human and financial capital are paramount to building Texas' assets for the future.

Texas Workforce Investment Council Texas Index 2006

Domain 2 – Research and Development

The Research and Development (R&D) domain includes 11 indicators that describe the state of the Texas economy in areas such as patents, venture capital investment and federal grant awards. Of the four domains, this one had the highest incidence of negative change in the last reporting cycle with 5 of 11 indicators (46%) declining. In addition, all three venture capital indicators are again flagged with a 'watch alert', as each has declined or remained flat annually over the five-year period.

Domain 2 Summary	
Number of Indicators - 11	
	No. %
➔ Positive change in last reporting cycle	3 27%
➡ No significant change in last reporting cycle	3 27%
⬅ Negative change in last reporting cycle	5 46%
⊖ Comparative data unavailable	0 0%
⚠ Watch alert	3 27%

Indicator	Page	Alert	Trend
Number of Patents	23	-	⬅
Patents per Capita	23	-	⬅
Venture Capital per Capita	24	⚠	⬅
Venture Capital Invested as a Percent of Gross State Product	24	⚠	⬅
Venture Capital Invested per \$1000 of Gross State Product	24	⚠	⬅
Total R&D Expenditure per \$1000 of Gross State Product	26	-	⬅
Industry R&D Expenditure per \$1000 of Gross State Product	26	-	⬅
Academic-Performed R&D Expenditure per \$1000 of Gross State Product	26	-	⬅
National Institutes of Health (NIH) Support to Texas Institutions per Capita	28	-	⬅
National Science Foundation (NSF) Funding per Capita	29	-	⬅
Average Annual Amount of Small Business Investment Companies (SBIC) Funds Dispersed per \$1000 of Gross State Product	30	-	⬅

The *Index* includes an Indicator Report Card that lists the 39 indicators in alphabetical order, with a corresponding trend arrow. The directional arrows are used to indicate positive ➔, no significant ➡, or negative ⬅ change from the last reporting

cycle. The watch alert flag symbol ⚠ is used to denote an indicator to watch in the next reporting cycle.

Across the four domains in the *Index*, the change in the last reporting cycle for the indicators was:

- Positive change – 20 of 39 indicators (51%)
- No significant change – 6 of 39 indicators (15%)
- Negative change – 13 of 39 indicators (33%)

Five of the 39 indicators (13%) were flagged with a 'watch alert', including the same four indicators that were flagged in 2005:

- *Percent of Population 25 Years and Older with High School Diploma* – For the 25 and older population, Texas had the lowest rate in the U.S. for each of the last three years (2002-2004).
- *Three Venture Capital Indicators* – Venture capital data is presented in three separate indicators: (1) on a per capita basis, (2) as a percent of GSP and (3) per \$1000 of GSP. For the five-year period 2001-2005, all three measures continued to decline or remained essentially unchanged.
- *Incoming Foreign Direct Investment per Capita* – This indicator was flagged, due to a continued decrease.

Research Issues and Trends – The Council uses several sources of information and data to monitor the policy deliberations and current research about the four domain areas in the *Index*. One of the Council's primary research tools is the Information Repository (IR). The IR is designed to be an "early warning" system for emerging issues, providing a streamlined and topic-driven method for collecting, cataloging and organizing all retained information.

Information collected in the IR in FY 2007 reflects several overarching issues that impact the United States' ability to successfully compete in today's global economy. The common theme across each of the issues is the urgent need to increase the skill and education levels of America's workforce, particularly in STEM disciplines (science, technology, engineering and mathematics). Priority issues highlighted in recent U.S. research and policy papers include:

- Industry cluster-based, entrepreneurial and other economic development strategies to build the innovation capacity.
- Aligning secondary and postsecondary curriculum, to ensure that students are prepared to succeed in postsecondary education and training, and the workforce.
- Increasing the number of postsecondary degrees and credentials to meet industry's increasing need for these skills and competencies.
- Linking postsecondary education to the innovation needs of industries and regions.

Future Actions: In early FY 2008, the Council will publish the *Texas Index 2007*, featuring updated data and, where available, additional data comparing Texas to California, Florida, New York, and to the United States as a whole. This comparative data will assist policy makers to understand Texas' competitive position in order to capitalize on its strengths and address opportunities for improvement.

SYSTEM REVIEW



The Council annually produces a publication that provides a brief review of the programs that comprise the Texas workforce development system. *Program Directory 2007: A Guide to Funding and Programs of the Texas Workforce Development System (Directory)*. The Directory serves as a companion document to the workforce system strategic plan and for the Council's annual report to the Governor and the Legislature.

Both state and federal law require the Council to review and comment on certain state and local plans, proposals and reports. The purpose of the Council's review may be to ensure alignment with the goals and objectives in the system strategic plan, to make a recommendation to the Governor, or both.

The *Directory* is designed to aid system partners and stakeholders to better understand funding and program information on 20 workforce programs, as well as five academic education programs at the secondary and postsecondary levels. Information and data from these five academic education programs assist 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.

Workforce programs and services may be interrelated by virtue of a single customer or similar intended outcomes. These programs and services are intended to interact with each other in order to produce the desired outcome for the customer; the employer or the individual seeking employment.

Workforce Program Directory Texas Workforce Investment Council

Carl D. Perkins Vocational and Applied Technology Education Act of 2006

Purpose: To help state and local programs improve the academic, vocational and technical skills of students in secondary and postsecondary institutions.

Target Population: Secondary and Postsecondary students

Programs Funded: Secondary and Postsecondary Technical Education

Administering Agencies: Texas Higher Education Coordinating Board and the Texas Education Agency

FY2006

Total Federal Funding: \$103.485 million

Total State Funding: \$831.237 million

State Plan Review – The federal Workforce Investment Act (WIA) requires that states must have an approved State Plan in order to receive WIA formula funding. Both state and federal law require the Council, as the State Workforce Investment Board, to recommend the Governor's approval of the State Plan required under Title I of WIA and the Wagner-Peyser Act. In March 2007, the Council endorsed and the Governor subsequently approved the modification to the Texas *Strategic Five-Year State Plan for Title I of the Workforce Investment Act of 1998 and the Wagner-Peyser Act*.

In its guidance to states, the U.S. Department of Labor (DOL) requested that states address certain national priorities in their State Plan modification, including strategies to develop a demand-driven system within a regional economic development context, and initiatives to further system reform, with streamlined governance and alignment of economic and workforce development regions. The Texas State Plan modification addressed these priorities, indicating that the Texas Workforce Commission would increase its emphasis on regional planning.

Local Plan Review – Both state and federal law also require the Council to review local workforce board plans to determine the degree to which the local boards have included goals and objectives that are consistent with the goals and objectives in the system strategic plan, *Destination 2010*. In the last quarter of FY 2007, the Council reviewed local board plan modifications for FY 2008, the second year of a two-year plan cycle. In this second year, Local Boards were required to update information in their FY 2007-FY 2008 plans, which were recommended by the Council and approved by the Governor in September 2006.

In September 2007, the first month of FY 2008, the Council will consider endorsement of the plan modifications and recommend final approval by the Governor.

Regional Planning – Consistent with national priorities and in anticipation of increasing efficiencies and eliminating duplication, the Texas Workforce Commission directed three Texas regions to develop a regional plan as an appendix to their FY 2008 Local Board plan modifications.

These three designated regions share labor markets or similar economic development areas with other contiguous workforce areas:

1. Cameron County and Lower Rio Grande
2. Capital Area and Rural Capital
3. Dallas County, Tarrant County, and North Central Texas

Each regional plan was prepared collaboratively by all Local Boards in the region.

Future Actions: The Council supports regional planning for systemic effectiveness in both workforce and economic development. In FY 2008, the Council will review the three regional plans and will invite feedback on the regional planning process from Texas Workforce Commission and the local boards. In addition, the Council will undertake an evaluation of Texas' economic regions and projected economic patterns.

SYSTEM SPOTLIGHT ON ADULT BASIC EDUCATION

Adult Basic Education (ABE) programs in Texas, under the authority of the Texas Education Agency (TEA), are funded through a combination of state and federal funds with the state responsible for a 25% match to draw down the federal funds. Approximately \$53.3 million in state and federal funds were allocated to adult education providers in 2005-2006. Out of the \$53.3 million, \$6.87 million allocated was from state appropriated funds and \$46.4 million was federal funds.

Under an agreement with TEA, Texas LEARNS, housed in the Harris County Department of Education, provides grant management functions, program assistance and other statewide support services to Texas Adult Education and Family Literacy Providers. TEA continues to be responsible for all discretionary, policy, and monitoring functions. The joint mission of TEA and Texas LEARNS is to ensure that all adults who live in Texas have the skills necessary to function effectively in their personal and family lives, in the workplace, and in the community.

There are 120 ABE program providers with 1,459 sites in Texas. The majority of providers are community colleges, independent school districts, and regional education service centers. ABE providers offer comprehensive English language acquisition and literacy services and basic instruction in reading, writing, and mathematics to adult learners. Adult education programs also provide workplace literacy services and family literacy services.

Upon beginning the program, adults identify their goals for participation. Program performance is measured by these goals, and may include placement in, retention in, or enrollment in, postsecondary education, training, employment, or career advancement in addition to attainment of a high school diploma or GED. In 2006, for the most recent 12-month reporting cycle, TEA reported 140,496 individuals received ABE services, 48.91% gained employment, 53.23% retained employment, and 86.05% obtained a degree, other credential of completion, or completed the level enrolled in either a training or educational program. The average cost of services per student in 2005-2006 was approximately \$431.35 per student; and during that same period, the number of students enrolled in the ABE programs, with less than a ninth grade education, was 95%. Thirty percent of the ABE student population was 16 to 24 years of age and fifty percent were 25 to 44 years of age.

There are numerous other providers of adult education and literacy services in addition to those funded through these state and federal dollars. Local or regional providers include foundations such as the First Lady's Family Literacy Initiative for Texas, non-profits literacy providers, and local literacy councils.

2003 National Assessment of Adult Literacy

The 2003 National Assessment of Adult Literacy (NAAL) assessed the English literacy skills of a nationally representative sample of more than 19,000 U.S. adults (age 16 and older) residing in households and prisons. The NAAL measures literacy by using materials an adult will encounter on a daily basis, including: (1) Prose reading, reading and comprehension of materials arranged in sentences and paragraphs; (2) Documents, reading material that is not organized in sentences; and (3) Quantitative, requiring basic calculations. NAAL is the first national assessment of adult literacy since the 1992 National Adult Literacy Survey. Findings include:

- Quantitative literacy remained stagnant, as did document literacy for individuals with some high school, and high school graduates.
- Document literacy for adults with college and graduate degrees decreased.
- Prose literacy has decreased among adults at every level of education.
- The average prose and document literacy of Hispanic adults decreased; quantitative literacy did not change significantly.

These findings are important because a positive correlation exists between literacy levels, employment and earnings. In other words, as literacy increases, so does ones ability to obtain full-time employment and realize an increase in earnings.

Source: *Literacy in Everyday Life: Results from the 2003 National Assessment of Adult Literacy*, National Center for Education Statistics, April 2007

Education and Literacy Levels of Texas Adults

22,270,165	Texas population
33.6%	Percent of Texas population speak a language other than English at home
21.2%	Percent (2,919,633) of the Texas population, 25 years and older, is without a high school diploma or equivalency
13.93	Average level of education completed, in years, by the adult population 25 years and older
9.4%	Unemployment rate for Texas population 25 years to 64 years without a high school diploma compared to 5.9% for the same age group as a whole
29.2%	Percent below poverty level for Texas population 25 years and older without a high school diploma
16,302	Total earnings in the past 12 months (In 2005 Inflation-Adjusted Dollars) for Texas population 25 years and older without a high school diploma

Source: U.S. Census 2005 ACS, Texas Workforce Investment Council: *Texas Index 2006*.