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 five members are ex officio representatives of the Council’s member state agencies.
Texas Workforce Investment Council

September 2008

Dear Fellow Texan:

The Texas Workforce Investment Council (Council) is pleased to present its Annual Report for Fiscal Year (FY) 2008. The Annual Report provides a brief summary of the Council’s activities and shows how its products meet state and federal mandates for its four primary functions in the workforce system: planning, evaluation, research and review.

As Council begins the important task of outlining the next cycle of strategic planning this year, it will adhere to these new priorities:

- Strengthen relationships between workforce partner agencies to address issues critical to developing a workforce that meets the education and skill requirements of Texas Employers
- Promote collaboration between Council members and partner agencies to develop the FY 2010 – FY2015 strategic plan for the Texas workforce system
- Submit annual recommendations to the Governor regarding priorities and policies for improving the state workforce system and increasing the competitiveness of the Texas workforce
- Educate Council members, partner agencies and other system stakeholders in ways to shape policy and improve approaches for delivering programs and services

Finally, the Annual Report includes a snapshot of the increasingly important role of Career Technical Education (CTE) in education and workforce training for Texans of all ages.

We look forward to continuing our work in Fiscal Year 2009 to produce products and hold discussions that inform and encourage meaningful collaboration among workforce system partners and stakeholders.

Sincerely,

John W. Sylvester, Chair
Texas Workforce Investment Council

Post Office Box 2241, Austin, Texas 78768 • Voice: (512) 936-8100 • Fax: (512) 936-8118
An important part of the Council’s work is to advocate improvement to the workforce system. The Council does this by supporting and facilitating collaboration among system partners and by providing information to increase partner awareness and initiative with regard to 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 ten member committee, chaired by the Council Vice Chair, includes representatives from the eight partner agencies and the Texas Association of Workforce Boards.

Since 2005, SITAC has been working to implement two Long Term Objectives that focus on employer use of and satisfaction with workforce system products and services. Last year, staff worked with all eight partner agencies to develop agency-specific projects.

Currently, agency work is underway on 12 projects that report quarterly to SITAC. The projects address: (1) program evaluation using current and new 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 inform the system strategic planning process and continue in future years.

**Adult Basic Education (ABE)** - Since 2003, the Council and its ABE partners – Texas Education Agency (TEA)/Texas LEARNS, Texas Workforce Commission (TWC), 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 2008, significant progress was made for two TWC Limited English Proficiency (LEP) projects:

- **Adult Technology Training** – Grants for projects that integrate occupational training, vocational ESL, technology application training and GED test preparation (if required for employment or training).
- **LEP Field Guide** – Supported by training sessions, the guide was designed to assist local boards, workforce center staff, and education and training professionals with the delivery of services to LEP participants.

### 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 2008 reports include:

**State of the Workforce Report – The Demand for Middle-Skills Jobs in the United States and in Texas**. Middle-skill jobs require education and/or training beyond high school, but do not require a four-year baccalaureate degree. Training for middle-skill jobs includes apprenticeships, certificate programs, on-the-job-training, and two-year Associate academic or two-year Associate technical degrees. Currently, middle-skill jobs account for nearly half the jobs in Texas and are considered the backbone of the economy. They provide the basic infrastructure in critical economic sectors such as manufacturing, energy, oil and gas, aerospace, and construction. They range widely from jobs in skilled crafts and trade occupations for electricians, plumbers, pipefitters, welders, construction inspectors and fire fighters, to technical positions as radiation therapists, registered nurses, diagnostic medical sonographers and paralegals.

Furthermore, in addressing the demand for middle-skill jobs, Texas’ higher education plan, *Closing the Gaps*, proposes awarding up to 163,000 bachelor’s and associate’s degrees, along with certificates, by 2015. In order to ensure that Texas maintains a competitive position in the 21st century global economy, a strong emphasis on STEM (science, technology, engineering and mathematics) skills has been woven into both the higher education and K through 12 plans.

**Apprenticeship and Training Advisory Committee (ATAC)** – The Council’s 15 member ATAC convenes apprenticeship representatives across the state to provide information, advice, and recommendations to the Council concerning its mandates involving apprenticeship in Texas. In FY 2008, the ATAC met two times and approved apprenticeship funding formulas. It also received information from other state workforce agencies and the U.S. Department of Labor Office of Apprenticeship. In FY 2008, Chapter 133 programs funded by $1.6 million in general revenue, served an estimated 3,896 apprentices in approximately 30 occupations.
In accordance with 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 implementation timelines and the agency accountable for each long term objective. The plan contains the overarching strategic issues, strategies and metrics 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 updated annually to indicate milestones and accomplishments achieved, as well as other changes such as the addition of dependencies or tracking measures.

The Council approved the 2008 Update to Destination 2010 in March 2008. The update was subsequently approved by the Governor. The fifth annual update includes a revision to the target percentage for job placement for mature workers and a technical change to the target for the number of certificates, associate’s and bachelor’s degrees awarded.

Role of the System Strategic Plan - Destination 2010 does not duplicate other Texas Workforce Plans. It 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 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. State agencies are submitting updated five-year strategic plans in summer of 2008.

Future Actions - In early FY 2009, the Council will begin a new strategic planning process during which system issues and gaps for action will be identified. A few of the areas that will be examined include:

- Middle-Skill Jobs
- Apprenticeship Training
- Work Readiness Credentials
- College and Work Readiness
- Adult Basic Education
- Dropouts – Definitions and Methodology
- Career Technical Education
- Mature Workers
- Demand-Driven Programs and Services
- Local Board Challenges and Priorities

www.governor.state.tx.us/divisions/twic
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 products is a yearly system evaluation report to the Governor and the Legislature. In FY 2008, the Council published its eighth such report, Evaluation 2007: Accomplishments and Outcomes of the Texas Workforce Development System. The report describes the progress by workforce system partners in implementing the system strategic plan and provides data on the outcomes of workforce system programs.

Evaluation 2007 also 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.
- 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 2007, 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. Local delivery entities include: 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 2007 (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 four years of data available, Evaluation 2007 also included a comparison of data reported in 2004-2007.

Evaluation 2007 reports that almost 4.8 million individuals received workforce system services, almost 1.2 million entered employment, almost 1.1 million retained employment, and 445,919 program participants completed a degree, certificate or other measure of educational achievement.

### 2007 Workforce System Report Card

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<tr>
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<tbody>
<tr>
<td>Educational Achievement</td>
<td>445,919</td>
<td>-3.41%</td>
<td>-2.31%</td>
</tr>
<tr>
<td>Entered Employment</td>
<td>1,174,107</td>
<td>1.15%</td>
<td>5.60%</td>
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<tr>
<td>Employment Retention</td>
<td>1,076,659</td>
<td>-0.37%</td>
<td>2.11%</td>
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<tr>
<td>Customers Served</td>
<td>4,785,366</td>
<td>-0.22%</td>
<td>0.76%</td>
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<tr>
<td>Educational Transition</td>
<td>131,142</td>
<td>0.61%</td>
<td>1.51%</td>
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<tr>
<td>Educational Participation</td>
<td>1,234,625</td>
<td>0.03%</td>
<td>0.14%</td>
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<tr>
<td>Secondary Dropout</td>
<td>51,841</td>
<td>-0.60%</td>
<td>6.18%</td>
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<tr>
<td>Constructive Activity</td>
<td>2,105</td>
<td>-1.77%</td>
<td>-0.81%</td>
</tr>
<tr>
<td>TANF Recidivism</td>
<td>10,405</td>
<td>-0.46%</td>
<td>-0.14%</td>
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<tr>
<td>Pre-release Placement</td>
<td>2,793</td>
<td>3.44%</td>
<td>7.87%</td>
</tr>
<tr>
<td>Jobs Created</td>
<td>8,332</td>
<td>-0.92%</td>
<td>23.04%</td>
</tr>
<tr>
<td>Jobs Retained</td>
<td>13,610</td>
<td>-16.96%</td>
<td>7.04%</td>
</tr>
</tbody>
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**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 through 2007 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 through 2007 – and forthcoming 2008 – reports include data addenda to publish and disseminate the revised information.

The Council’s 2008 evaluation report, to be published in December 2008, will contain revised data for the Adult Education (WIA II) program. TEA submitted revised 2004-2007 Entered Employment and Employment Retention data as corrections were required to ensure compliance with the U.S. Department of Education’s National Reporting System requirements. As this, and other 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.

The Council’s Evaluation 2009 report will be the final summative evaluation of Destination 2010. In addition to standard content, final versions of all 22 Strategic and Agency Action Plans (SAPs/AAPs) will be published, along with an assessment of task and outcome completion.

*“Connecting Education, Workforce, and Economic Development for the Future”*
In early FY 2008, the Council produced the Texas Index 2007 (Index), the third 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 42 economic indicators across four domains: Training and Education; Research and Development; Market Composition and Characteristics; and Participant Access and Contribution, which contains three new indicators. 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.

The Index includes an Indicator Report Card that lists the 42 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** – 21 of 42 indicators (50%)
- **No significant change** – 5 of 42 indicators (12%)
- **Negative change** – 12 of 42 indicators (29%)
- **Data unavailable** – 4 of 42 indicators (10%)

Seven of the 42 indicators were flagged with a “watch alert” for the next reporting cycle. Since 29% of the indicators are moving in a negative direction, it is important to monitor these trends. However, results in the Index do show that generally, Texas is successfully building its asset base for the future:

- All of the enrollment and credential indicators had a positive or no change.
- Both per capita income and average pay rates again rose while the labor productivity and unemployment rates also again improved.
- Positive results were again reported for firm births, exports and GSP per capita. Patents per capita decreased slightly.
- Small Business Investment Companies funding continued its recent upward trend.

The Texas Index 2008 will reflect considerable revision and updating, including among other changes, a 50-state ranking table and international comparative data.

**Research Issues and Trends** – The Council uses several sources of information to monitor current policy developments across the four domain areas of the Index. One of the Council’s most important research tools is its Information Repository (IR), an electronic database of policy papers, government reports, and industry white papers gathered from select educational, industry, and public policy institute websites.

Information selected for the IR in FY 2008 reflects major concern for economic competitiveness on both the state and national level in areas such as: STEM education; priority for engendering innovation in economic development and competitiveness; the growing importance of industry clusters in maintaining a healthy and competitive economy and workforce; the alignment of secondary and postsecondary curricula to facilitate the transition of students to higher education and to the workforce; and the changing demographics of the American workforce due to immigration and the impending retirement of the baby boomers.

The Council also uses information collected in the Texas Workforce Development System 2008 Employer Survey prepared by the Public Policy Research Institute at Texas A&M University. This is the fifth biennial survey and was conducted via telephone and web. It focused on obtaining information from employers about their perceived access to a skilled workforce, barriers to success and productivity, aging workforce, innovation, and sustainability strategies.
The Council annually produces a publication that provides a brief review of the programs that comprise the Texas workforce development system. *Program Directory 2008: 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 to the Council’s annual report to the Governor and the Legislature.

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.

The requirements outline the information required to facilitate Council’s review of how the agency addresses the applicable Long Term Objectives in *Destination 2010* and related Formal performance measures. Agency plans for Fiscal Years 2009 through 2013 were submitted for review in June and July of 2008.

**Local Board Strategy and Performance Review** - The Council is charged under both state and federal law with recommending local workforce development board (Board) plans and plan modifications to the Governor for final approval. The Council reviews each plan to ensure that local goals and objectives are consistent with the statewide long term objectives in the system plan, *Destination 2010*. The Council also reviews Board plans to determine their progress in implementing the local strategies that align with the system strategic plan.

In March 2008, the Texas Workforce Commission approved an extension of the current Board plans through July 2009. Therefore, instead of gathering it from the planning process, the Council requested information from Boards as needed for its upcoming system planning and evaluation activities. Boards then submitted an update on their progress to implement local strategies that align with the system strategic plan, and summarized their priorities, challenges and accomplishments. This information will inform the development of the next system strategic plan and will be summarized in the Council’s annual evaluation report.

**Economic Analysis** – In December of 2007, the Council received the Perryman Group’s report entitled, *Potential Regional Economic Boundaries in Texas: an Analysis in Light of Current Patterns and Linkages in Business Activity.* The Council retained the Perryman Group to evaluate the state’s current regional economic groupings in light of the great demographic and economic changes occurring in Texas over the last century. Dr. Perryman’s report compared current economic activity with three regional configurations: 1) the Governor’s substate planning regions; 2) the Comptroller’s uniform service regions; and 3) local workforce development areas. Dr. Perryman’s analysis was the most comprehensive review of Texas’ economic regions since the initial establishment of the Governor’s substate planning regions nearly forty years ago. With this report, the Council provided a valuable resource to the Governor, Legislature and system stakeholders for their consideration as they respond to growing challenges in serving citizens and employers in 21st century Texas.
Texas is part of the nation’s push to maintain a competitive edge in today’s knowledge-based global economy. In the 21st century, technology affects all levels of the economy. In order to remain competitive, it is critical for the state’s workforce to be capable of adapting quickly to economic trends and of learning and using state-of-the-art technology skills in the workplace. Career technical education (CTE) is an excellent way to enable workers to actively learn new skills because its approach is to teach information in an applied setting. CTE is based on the idea that the knowledge and skill sets students need to succeed in college and careers today are one in the same. Using this perspective, CTE can modify curricula and respond to the flux in a rapidly changing job market, whether due to economic change, innovation or demand. This combination of applied setting and adaptation to changing needs better prepares workers for continued education or direct entry into the workforce.

In Texas, the State Board of Education is responsible for CTE and administers the Carl D. Perkins Career and Technical Education Improvement Act, while the Texas Education Agency (TEA) manages and disburses Perkins CTE funding. TEA and the Texas Higher Education Coordinating Board (THECB) work together to support and provide CTE programs. The Texas Workforce Investment Council consults and coordinates with its partner agencies to make CTE a vital element of the Texas workforce system. Currently, there are 1,242,309 high school students in Texas, of which 941,045 are taking CTE classes, while there are 545,103 community college students in the state, of which 310,227 are CTE enrolled. Perkins funding in Texas amounts to $101,837,703.

CTE is an important investment for both students and schools in Texas, with research correlating that individuals enrolled in CTE are less likely to drop out. This, in turn, positively impacts high school graduation rates, postsecondary enrollment, and provides secure and better paying positions in the labor market.

### Texas Legislation Related to CTE

**House Bill 1** of the Third Called Session, 79th Legislature, focused on education in Texas, including CTE. Among many initiatives in 2006, H.B. 1 mandated vertical teams of secondary and postsecondary education teachers and specialists to develop College Readiness Standards for use in curriculum planning in CTE as well as for academic classes. In addition, H.B. 1 requires curricula alignment to facilitate a seamless transition for students from secondary to postsecondary education and/or workforce participation.

**H.B. 3485**, of the 80th Texas Legislature in 2007, created a CTE Review Panel to survey and update CTE in the state. The Texas Workforce Investment Council is represented on the 10-member CTE Review Panel created by H.B. 3485, which has met regularly in 2008 to review and make recommendations on the revision of CTE curricula. The State Board of Education has appointed writing teams to make the necessary revisions to the essential knowledge and skills that must be included in CTE courses. The panel recommended that the writing teams develop coherent sequences of CTE courses that:

- Result in an industry-recognized credential or certificate at the postsecondary level, or an associate or baccalaureate degree
- Support and reinforce cluster knowledge and skills
- Support challenging academic and technical standards
- Align to postsecondary programs
- Align with high skill, high wage, or high demand occupations in current or emerging fields
- Lead to technical skill attainment

### National and Texas Initiatives Related to CTE

The system of education that includes CTE in the United States (U.S.) involves thousands of high schools, vocational and technical high schools, and community colleges. The U.S. Department of Education operates the Office of Vocational and Technical Education, itself subdivided into several divisions including Adult Education and Literacy, Career and Technical Ed, Center for Rural Ed, and Community Colleges. The common thread running through all CTE-related initiatives is that technology and global competition have so changed the nature of work today, that tomorrow’s labor force will need to have better skills, more knowledge, and more adaptability than ever before.

One way in which U.S. schools are working to prepare students for tomorrow is through the use of contextual or applied learning within “career clusters.” Career clusters are broad groupings of occupations and industries based on related disciplines. There are sixteen “career clusters” under the national States’ Career Clusters Initiative, with recommended sequences of coursework to guide students depending upon their interests and career goals.

AchieveTexas is an educational initiative in Texas modeled after the federal program, combining academics with career technical education so that students see the “usefulness” of what they are studying. Aligned with the national program, AchieveTexas aims to facilitate a seamless transition from secondary to postsecondary education, training, or workforce.

*“Providing a higher skilled, more educated workforce is clearly the future of our country in the worldwide economy.”*

Elaine Chao, U.S. Secretary of Labor