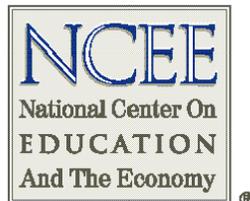


**Workforce Development in the State of Texas:
An Overview**

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**Paper prepared for the
*New Commission on the Skills of the American Workforce***

January 2006



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Overview

The Texas Workforce Development System encompasses more than 38 different programs operated across 12 state agencies. While this System represents a complex and dispersed state effort, the Texas Center for Public Policy Priorities (CPPP), an independent state policy think-tank, considers it more consolidated and coordinated than most. The Texas Workforce Commission (TWC) and its network of 28 Local Workforce Development Boards administer most these programs. Of the \$2.6 billion allotted among these programs in 2002, nearly \$1 billion was controlled by the TWC alone. Vocational training programs operated and controlled by the public education and postsecondary systems accounted for another \$1.3 billion. Despite these amounts and the importance of workforce development issues in Texas, the funding made up only 4.55% of the overall state budget for FY 2002. (Source: *“Workforce Development: The Key to Creating Opportunity and Building Prosperity,”* 2003, Texas Center for Public Policy Priorities (CPPP), www.cppp.org.)

The State of Texas was an early implementer of the Workforce Investment Act (WIA), and in fact, had many of the required service delivery features already incorporated into its workforce system by the early 1990’s. The state’s leadership already supported a “no wrong door” approach and continued to integrate services in a One-Stop service delivery model. In June 1995, a bill was signed into law consolidating 28 workforce and related programs from ten separate agencies into a new state agency, the Texas Workforce Commission (TWC). (Source: *“Workforce Investment Act in Eight States: State Case Studies from a Field Network Evaluation,”* P. 95-96, by Dan O’Shea and Christopher King of the University of Texas at Austin, for the Nelson A. Rockefeller Institute of Government, 2004.)

A CPPP publication on workforce development stressed that the success of the workforce development system is tied to the future economic viability of the state and will be an essential tool for economic prosperity. It recommended that the State commit to expanding training opportunities, improve program coordination and connections to employers, and given the demographic trends, give particular attention in the system to minorities and low-income individuals. (Source: *“Workforce Development: The Key to Creating Opportunity and Building Prosperity,”* 2003, Texas CPPP, www.cppp.org.)

I. Texas Workforce Vision

The vision of the Texas workforce system is to be the first place employers go for workforce solutions. However the State recognizes that major employers are still not adequately accessing the system. The Texas Strategic Two-Year State Workforce Investment Plan for the system puts a priority on serving employers in high-growth, high-demand, and emerging industry sectors; and in promoting the benefits of the system to other employers. The State intends to use the combined efforts of the Texas Workforce Commission (TWC), local workforce development boards and one-stop workforce center operators, the Texas Workforce Investment Council

(TWIC) and other Texas workforce system partners to assist customers – both employers and job seekers – with their skills and workforce needs. (*Source: Texas Strategic Two-Year State Workforce Investment Plan, July 1, 2005 – June 30, 2007.*)

The strong emphasis on making the Texas workforce system the first stop for employers has created somewhat of an “identity crisis within One-Stop Career Centers as they try to balance elements of a business services model with the more prevalent social services model.” The programs funded and offered in the career centers are generally the more “second-chance” programs related to employment or some form of public assistance. As such, the perception of One-Stop Career Centers as a provider of first choice among employers for high-skilled workers, incumbent worker training, managers, professional, or other workforce needs is “limited.” (*Source: “The Workforce Investment Act in Eight States,” P. 121, Rockefeller Institute, 2004.*)

Texas Workforce Development System

As noted in the overview, the State of Texas was an early implementer of the Workforce Investment Act (WIA) and had many of the required service delivery features already incorporated into its workforce system in the early 1990’s. The state’s leadership already supported a “no wrong door” approach and continued to integrate services in a One-Stop service delivery model. The Texas workforce system is guided by principles that include limited and efficient state government, local control, personal responsibility, support for strong families, and a firm belief in the value of work. Few states were considered as well positioned as Texas when it became an early implementing state for WIA. Again, 28 workforce and related programs from ten separate agencies were consolidated into a new state agency, the Texas Workforce Commission (TWC) in 1995. (*Source: “Workforce Investment Act in Eight States,” P. 96, the Rockefeller Institute, 2004.*)

The Texas Workforce Development System (TWDS) is designed to provide current and future workers with relevant services and programs for competitive and sustainable employment. The most recent five-year strategic plan developed by the Texas Workforce Development System is entitled, *Destination 2010*, for the fiscal years 2004 through 2009. (A supplement or update to the plan is also published each year.)

The goal of the Texas Workforce Development System (TWDS) is to provide employers, current workers and future workers with convenient and ready access to comprehensive workforce services that span a continuum from career planning and preparation, to career development and enhancement. Texas workforce services encompass education, training, support programs and services delivered through a network of state agencies, educational institutions, and community-based organizations. The Partners comprising the TWDS achieve this mission by developing the capabilities to deliver integrated and leveraged workforce services.

The Workforce System Partners include:

- Texas Workforce Commission;
- Texas Commission for the Blind;
- Texas Higher Education Coordinating Board;
- Office of Economic Development and Tourism;

NCEE Texas Workforce Report

- Texas Youth Commission;
- Texas Department of Human Services;
- Texas Education Agency;
- Texas Department of Criminal Justice;
- Texas Rehabilitation Commission; and
- Texas Association of Workforce Boards.

The TWDS mission and strategy, includes:

- Providing programs and services to meet the “evolving” needs of the customers of the system: employers, workers and future workers.
- Meeting performance objectives and producing accountable results.
- The deployment of a coordinated and efficient statewide system.
- Collaborating to achieve integration of inter-agency systems, processes and sharing of information critical to the success of the workforce development system.
- Developing and deploying outreach and communications programs which build awareness, support, and participation for the TWDS.

(Source: “*Destination 2010, the Strategic Plan for the Texas Workforce Development System,*” for the fiscal years 2004 through 2009, www.governor.state.tx.us/divisions/twic/mandate/view.)

Texas Workforce Commission

The Texas Workforce Commission (TWC) is the primary state government agency overseeing workforce development services to employers and job seekers of Texas. (See attached **Appendix A**, for an organizational chart of the TWC Division.) The TWC has 28 programs that include all federal Department of Labor activities, state and federal training programs, and state child care initiatives. There are currently 3,400 employees and an annual budget of \$1.1 billion. Child care expenditures account for a large share of these expenditures—approximately \$412 million at the state level (in fiscal year 2000-01). (Source: “*Workforce Investment Act in Eight States,*” P. 108 and 113, Rockefeller Institute, 2004.)

Three full-time commissioners are appointed to the Texas Workforce Commission by the Governor, one each representing employers, labor, and the public. Diane D. Rath, the Commissioner representing the public sector programs, has chaired the TWC since 1996 and her current term expires in 2007. Together, the commissioners oversee operations and administration of TWC programs and policies and also serve as the appellate body for UI claims. In August 2003, TWC completed the sale of \$1.4 billion in bonds. This is the largest bond sale ever issued by the State of Texas. The proceeds were used to innovatively finance benefit payments for the Unemployment Insurance Compensation Fund and was reported to save Texas employers more than \$300 million. (See section on UI Compensation Fund on page 16 below.) (Source: www.twc.state.tx.us/twcinfo/twcbio.html and the “*Workforce Investment Act in Eight States,*” P. 108, Rockefeller Institute, 2004.)

The Texas Workforce Commission is the key organizing agency of the state and local network dedicated to developing the workforce of Texas. The network is comprised of the statewide efforts of the Commission coupled with planning and service delivery provided at the regional level by 28 local workforce boards. This network gives customers access to local workforce

solutions and statewide services in a single location — the Texas WorkSource Centers – or the one-stop career centers in the State of Texas. For employers, TWC offers recruiting, retention, training and retraining, and outplacement services as well as extensive information on labor law and labor market statistics. For job seekers, TWC offers career development information, job search resources, training programs, and, as appropriate, unemployment benefits.

(Source: www.twc.state.tx.us/twcinfo/whatis.html)

Texas Workforce Investment Council

The Texas State Legislature created the Texas Workforce Investment Council in 1993. The Council is charged with promoting the development of a highly skilled and well-educated workforce for the State of Texas, and assisting the Governor and the Legislature with strategic planning for and evaluation of the Texas Workforce Development System. The composition of the State Council was “grandfathered” in under WIA and consists of five business, five labor, two education, three community-based organizations, and five state agencies. This differs considerably from the required WIA structure with its business majority and broader membership.

The five agencies whose executive directors now sit on the Council are the Texas Education Agency, the Texas Higher Education Coordinating Board, the Department of Economic Development, the Department of Human Services, and the Texas Workforce Commission. The four non-sitting agency partners that also provide workforce services and which the Council includes when reporting common and system performance outcomes are the Texas Commission for the Blind, the Texas Youth Commission, the Texas Department of Criminal Justice, and the Texas Rehabilitation Commission. The local workforce investment boards have also been grandfathered under WIA, but remain chaired by an employer representative and retain their private sector majority. The 28 local workforce boards range in size from 26 to 63 members.

(Source: *Texas Workforce Investment Council, 2005 report on Employer Services.*

www.texasworkexplorer.com/ and “*Workforce Investment Act in Eight States,*” the Rockefeller Institute, 2004.)

II. Texas Workforce System Strengths, Weaknesses, Opportunities and Threats

The Texas Workforce Commission’s Strategic Two-Year State Workforce Investment Plan (for July 1, 2005 – June 30, 2007) bluntly lists the following strengths, weaknesses, opportunities, and threats for the Texas workforce system. This is a very useful summary of issues facing the Texas workforce system and many of the barriers listed begin at the federal level and would be similarly listed as barriers by other states.

<p><u>Strengths</u></p> <ul style="list-style-type: none"> • Commitment to becoming employer-driven • Established network of 286 one-stop centers and satellite offices; • One-stop costs supported by other workforce programs in addition to WIA and ES; • Effective tools and products that support business growth and workforce development; • Commitment to local flexibility; • Integration of workforce services beyond co-location (e.g., rules, measures, processes); • Successful partnerships; • Immense human potential; • Propensity for innovation; and • Awareness of system weaknesses. 	<p><u>Weaknesses</u></p> <ul style="list-style-type: none"> • Employers in high-growth, high-demand industry sectors not using services; • Managing to performance rather than customer needs; • Limited awareness of tools and products among employers; • Limited use of tools and products among workforce professionals; • Limited grasp of the desired impact successful workforce development has on the economy; and • Fractional post-employment and career planning services.
<p><u>Opportunities</u></p> <ul style="list-style-type: none"> • National leadership driving workforce system reforms; • Global economy moving workforce investments towards convergent skills-based training, rather than occupation-specific; • Leveraging limited resources and making informed investments; and • Waivers of federal requirements that limit ability to craft customized workforce solutions. 	<p><u>Threats</u></p> <ul style="list-style-type: none"> • Siloed funding, rules and regulations, reports, and definitions; • Process-oriented performance measures; • Constituency-based funding and reporting; • Increased data collection to ensure the appropriate funding is used for the specified population; and • Unknowns of a global economy.

(Source: Texas Workforce Commission, Strategic Two-Year State Workforce Investment Plan, P.3, July 1, 2005 – June 30, 2007.)

Also included in the TWC’s Strategic Plan are strategies for promoting “workforce solutions,” through the use of a number of workforce and economic tools developed to assist businesses and job seekers. Highlights of these strategies follow.

- TWC will increase its marketing efforts of workforce and economic tools such as *SitesOnTexas* (to recruit businesses and families to Texas) and *Texas Industry Profiles* (with extensive labor market information).
- TWC will promote the use of these tools among the Texas workforce system’s professionals with the development and implementation of training workshops.
- TWC will promote the use of such career development tools as *Pathways to Personal*

Independence and the *Job Hunter's Guide* among the system's employment and career specialists through Quarterly Workforce Forums.

- TWC markets and promotes tools to assist faith-based and community-based organizations and state agencies working with out-of-school youth, including *Reality Check* -- a web-based tool that shows youth how much money they will need to pay for items they want, and the careers that will make it possible. (See Youth Workforce Services on page 21 below for more information on *Reality Check* or the web site www.cdr.state.tx.us/realitycheck/.)
(Source: *Texas Workforce Commission, Strategic Two-Year State Workforce Investment Plan, P. 7, July 1, 2005 – June 30, 2007.*)

Skills Development Fund and the Self-Sufficiency Fund

In 2002, the State modified its strategic plan and recognized the weaknesses in the state's labor market indices (e.g., rising unemployment, declining opportunities in key industries) as well as significant changes in the current and projected demographic and educational characteristics of the population. The Plan called for the use of "alternative funding concepts" like the Skills Development Fund and the Self-Sufficiency Fund, supported by state general revenues.

Self-Sufficiency Fund grants finance customized training and support services for adult recipients of Temporary Assistance to Needy Families, Food Stamps and Needy Parent support. The training prepares trainees for jobs with specific employers. In FY2004, 12 grants totaling just over \$5.4 million served 58 businesses – 4,545 individuals at an average hourly wage of \$7.86. The Skills Development Fund programs, in partnership with public community and technical colleges, assists private employers with the design, financing and implementation of customized job training programs for new or existing jobs. During FY2004, TWC awarded 26 grants totaling over \$12.1 million. The grants served 165 businesses and 18 business consortia, generating 2,934 new jobs and retraining 10,537 current workers for existing jobs for an average hourly wage of \$15.11. Both of these grants are intended to link employers, education, and training providers, job seekers, and, to some extent, economic development entities. While marketing efforts and the type of available employer services have increased, employer awareness of available services continues to be a major service delivery challenge as recognized by the Council.

APEX Grants (funded with WIA statewide reserves) have been used for performance bonuses and other initiatives including incumbent worker training, sector initiatives in health care and information technology, literacy projects, and professional development projects for educators, among others. TWC also has encouraged the use of Work Opportunity and Welfare-to-Work Tax Credits and the TANF State Tax Refund to subsidize wages for targeted, harder-to-serve populations. (Source: *Texas Workforce Investment Council, 2005 report on Employer Services. www.texasworkexplorer.com/ and "Workforce Investment Act in Eight States," P. 106, the Rockefeller Institute, 2004.*)

Making Workforce Development a Priority

In another workforce-related report published by the CPPP, the Texas Strategic Economic Development Commission stated the goal of making "education and training the state's number

one economic development priority.” (Source: *The Strategic Economic Development Plan for Texas (1998-2008)*.) The CPPP contended that the State’s prosperity depends on how well the workforce development system responds to this challenge and raised concerns about Texas’ commitment to its strategic plan. CPPP argued that despite indications that the State’s competitiveness depends on significant investments in the education, training, and skill development of Texas’ low-income and minority populations, the legislature is reducing commitments to these efforts. (Source: “*Workforce Development: The Key to Creating Opportunity and Building Prosperity*,” 2003, *Texas Center for Public Policy Priorities (CPPP)*, www.cppp.org.)

As previously noted, the Texas Workforce Development System encompasses more than 38 different programs across 12 state agencies. While the visual map of this “system” represents a complex and dispersed state effort, the Texas system is in fact more consolidated and coordinated than most. The Texas Workforce Commission (TWC) and its network of 28 Local Workforce Development Boards are responsible for nearly half of all the programs represented. Of the \$2.6 billion flowing through this system, nearly \$1 billion is controlled by TWC alone. Vocational training through the public education and postsecondary systems makes up another \$1.3 billion.

The challenge facing Texas is to make its workforce development system an essential tool for economic prosperity. CPPP states it will require a commitment to expanding training opportunities, improving program coordination, connecting with employers, and linking directly to economic development efforts. Given Texas’ demographic trends, particular attention needs to be given to creating pathways through this system for minorities and low-income individuals. (Source: “*The Workforce Development: The Key to Creating Opportunity and Building Prosperity*,” 2003, *Texas CPPP*, www.cppp.org.)

III. “WorkSource” One-Stop Career Center Information

The Texas workforce system of One-Stop Career Centers are generally referred to as “WorkSource Centers,” with the goal of closely linking economic development efforts with workforce efforts. For example, “WorkSource” is the operating name for the workforce system throughout Dallas County, and WorkSource operates as a private, non-profit organization and is governed by a board of directors representing specific sectors and constituencies as mandated by law. According to the Rockefeller Institute Texas Workforce report, Texas has “transformed its workforce development system over the past decade.” (Source: “*The Workforce Investment Act in Eight States*,” P. 108, *Rockefeller Institute*, 2004.)

All workforce programs are administered under local control by 28 workforce boards throughout the state. Most of the major workforce funding streams have been devolved to the boards, which receive block grants to procure services with One-Stop Career Center contractors. These programs include WIA, TANF Choices, Food Stamp Employment and Training, Welfare-to-Work, childcare, and related special initiatives. Additionally, and similar to Florida, local TWC program staff deliver Wagner-Peyser Act Employment Service, Veterans’ Services, Trade Adjustment Assistance (TAA) and North American Free Trade Act (NAFTA), and RIO services. (See the next section on *Employment Service*.) On average, the system reaches an impressive 1.8

million Texans annually. (Source: *Texas Workforce Investment Council, 2005 report on Employer Services, and "The Workforce Investment Act in Eight States," P. 108, Rockefeller Institute, 2004.*)

Similar to other leading workforce systems in states such as Florida and Michigan, Texas has made tremendous strides in fully integrating the State's TANF workforce development funds. The Texas Workforce Commission has made workforce services for TANF recipients an integral part of WorkSource Career Center activities. The TWC allocates TANF workforce development funds to the local workforce boards, which in turn, decide how to serve TANF recipients. (Source: *"The Workforce Investment Act in Eight States," Final Report, P. 26-27, Rockefeller Institute, February 2005.*)

In order to address what it saw as unnecessary constraints on the use of WIA funds and limits on local responsiveness, Texas leaders sought and received two of three waivers related to more discretionary spending in the modified five-year strategic plan it submitted to U.S. DOL in December 2002. Texas can now waive the required 50 percent employer match for customized training (WIA Sec. 101(8)(c)). The employer match now ranges from 10 to 50 percent and is determined by the quality of the training and the transferability of the skills attained. (Source: *"Workforce Investment Act in Eight States," P. 115, Rockefeller Institute, 2004.*)

Gulf Coast Workforce System

The Texas Workforce Commission operates a number of user-friendly web-sites. By entering a local zip-code, employers and job seekers are provided with lists of local WorkSource Career Centers, although not all Centers offer links to local WorkSource web-sites. Consequently, the on-line workforce information varies from region to region. One excellent example of locally operated WorkSource Career Centers, however, is Houston-Galveston Gulf Coast region serving a 13-county area. (In this case, The Gulf Coast Workforce Board is the WorkSource board of directors, and the Houston-Galveston Area Council serves as the administrative staff for the Board and the WorkSource system.) This WorkSource system is a public/private partnership and operates 36 community-based WorkSource one-stop career offices with a variety of job search and job training services. Several management organizations are contracted with to operate these offices. (Source: www.theworksource.org/about/about.html.)

For 2004, the Gulf Coast Workforce Board cites its 36 WorkSource Centers with the following impressive service records: filling company vacancies for 6,980 businesses; outplacement services for 4,513 laid off workers and 52 employers; assisting 609,319 residents with job search services. Further, the Board claims the following: providing \$102 million in financial aid for job-related training; childcare to 46,971 residents; and directly placing 35,536 individuals in jobs. The Gulf Coast Workforce Board goes so far as to publish an annual *Workforce Report Card* to compare the Gulf Coast's economy and its labor market against those of similar metropolitan regions in the United States.

(Source: www.theworksource.org/about/reportcard.html.)

As one example of the operation of a one-stop career center, the Gulf Coast has adopted a functional specialization approach within its region for its Centers. Each office has staff whose

titles and job descriptions feature the following tasks:

- *Greeters* who triage and direct customers to the appropriate person to meet their employment needs;
 - *Resource room specialists* who provide overview, access, and basic assistance to job seekers who may benefit from universal services;
 - *Employment counselors* who help match skills and desires of job seekers with employer needs, and facilitate workshops;
 - *Personal services representatives* who provide traditional case management services, including development of the employment plan, for categorical program participants;
 - *Financial aid representatives* who help make fiscal arrangements for education, ITAs, child care, and other services purchased from authorized vendors; and
 - *Assessment/testing specialists* who select and conduct standardized tests that help to determine a job seeker's skills, knowledge, aptitudes, and other factors of employability.
- (Source: "The Workforce Investment Act in Eight States," P. 108, Rockefeller Institute, 2004.)

Programs Accessed in WorkSource One-Stop Centers

WorkSource Centers throughout Texas are responsible for the research, planning and oversight of a variety of federal and state workforce programs, including:

- *Employer Services* - A changing emphasis of the Texas Workforce Development System is a renewed focus on meeting employer needs. Each WorkSource Center has employer service representatives to outreach to local employers.
- *Employment Services* - Each Workforce Center has employment service representatives to match and refer candidates to jobs for which they are qualified, and in some cases, counsel job seekers to assist them in meeting their employment needs.
- *Workforce Investment Act (WIA)* - Focuses on the "Work first" philosophy, WIA offers re-employment services for disadvantaged youths and adults, as well as dislocated workers. WIA offers year-round services such as job placement assistance and skills enhancement.
- *Temporary Assistance for Needy Families (TANF)* - Offers counseling, job readiness training, support services, assessment of skills and abilities, individual work readiness training and intensive work search for those who have utilized maximum welfare benefits under the new guidelines and time limitations.
- *Food Stamp Employment and Training (FSE&T)* - Assists Food Stamp recipients to obtain employment by providing counseling, individual case management, job readiness training, transportation assistance and intensive work search to move them toward becoming employed and self-sufficient.
- *Adult Basic Education for Welfare Recipients* - basic literacy, remediation and GED preparation services are carried out through collaboration with the public school system.

“WorkSource also helps workers retain jobs by offering services to address critical workforce related issues, including:

- *Child Care Assistance (CCA)* - federal, state and local childcare subsidies for children up to ten years of age. Special funds are reserved for welfare families so parents may train and search for work.
- *Transportation Services* - Vouchers for transportation to and from work.
- *Vision Correction* - Vision screenings and necessary eyewear provided through a network of

eye care specialists.

WorkSource's primary responsibility is to provide policy and program guidance and to exercise independent oversight of workforce activities, in partnership with local government. All services are provided through contractors, who are selected through competitive procurement processes. The availability of self-assisted universal services, particularly access to computers, phones, and fax machines, has helped increase the amount of foot traffic in One-Stop Career Centers in general. (Source: www.worksource.org/news/news1.shtml and "Workforce Investment Act in Eight States," P. 127, Rockefeller Institute, 2004.)

Performance Standards

Texas uses a number of federal, state and local performance measures as tools for improving the workforce system. According to the Rockefeller Institute report, Texas has a "strong tradition" of performance-based planning and budgeting, which has influenced the one-stop career center contracting. The report, however, notes the system's concern that the current measures may be producing "unwanted results." Texas currently uses 35 performance measures, of which 28 are federal and seven are state (including the 17 WIA measures). Local standards are specified in the contracts between the TWC and the 28 workforce boards.

TWC prepares a *Monthly Performance Report* (MPR), based on TWIST, childcare, and Employment Services data, that informs boards of their performance status on each of the measures. In addition to reporting federal and state measures for workforce programs, the MPR contains a monthly "scorecard" for WIA performance that ranks *every* board in the state. At the board level, the percentage of each goal achieved is determined, and the average for all goals is calculated. Boards are then ranked according to their overall average in groups that include "all," "large," and "small" boards. Poor performance can result in corrective action. (Source: "The Workforce Investment Act in Eight States," P. 137-141, Rockefeller Institute, 2004.)

IV. Employment Services and UI

In Florida and Texas, Employment Service workers at One-Stop Career Centers report to Center managers as well as to Employment Service supervisors. Again like Florida, the approach is reported to work well, although there were some initial adjustment problems. In the past, when the Employment Service had a larger budget, their workers frequently provided individual counseling, testing, and assessment — now referred to as intensive services under WIA. Such activities provided through the Employment Services have virtually disappeared in recent years as resources dwindled. (Source: "The Workforce Investment Act in Eight States," *Final Report*, P. 23, Rockefeller Institute, February 2005.)

One-Stop Career Centers also provide information for UI claims, but applications are taken either through regional call centers or online at HireTexas.com (which will soon be replaced by WorkInTexas.com, Texas's planned labor exchange and labor market information portal). Claimants must register for work at the One-Stop Career Center or register online. The hybridized staffing arrangement, where state merit staff work alongside local contractor staff, is

consistent statewide. Texas has utilized this approach for several years to address the JTPA/ES staffing issue that arose in the mid 1990s. The actual number of staff involved varies depending on the client volume in the One-Stop Career Centers. TWC encourages cross-training for contractor staff and will be developing integrated case management pilots. TWC staff usually focus on categorical programs, except for Wagner-Peyser Act staff, who might work resource areas, conduct workshops for multiple program participants, provide labor market information, or work with job development and placement activities. (Source: *“Workforce Investment Act in Eight States,” P. 109, Rockefeller Institute, 2004.*)

V. Labor Market and Workforce-Related Statistics

As of 2003, over 22 million people resided in Texas and of this population 85 percent reside in metropolitan areas. In 2004, for the third year in a row, Texas was the top state in export revenues at \$117.2 billion. This was \$18.3 billion more than 2003 and represents an 18.6 percent increase.

The **Texas unemployment rate** was 5.8 percent in December 2004. Among the state’s metropolitan areas, Bryan-College Station continued to post the lowest unemployment rate at 1.8 percent while McAllen-Edinburg-Mission had the highest rate at 11.6 percent.

Labor Market and Career Information

The Texas Workforce Commission (TWC) through its Labor Market and Career Information (LMCI) department has “invested heavily” in the use of advanced technology for the delivery of workforce services, with an impressive payoff in an array of programs to serve job seekers, employers and the administration of the workforce system itself. For example, one of these, the *TWIST* database is the case management, data collection, and performance reporting system has been recognized for its achievements in information technology and government innovation. The Smithsonian Institute honored *TWIST* by including it as part of a permanent installation on information technology innovation at the National Museum of American History. (Source: *“Workforce Investment Act in Eight States,” P. 141, Rockefeller Institute, 2004.*)

County Demographic Profiles – SOCRATES

The County Narrative Profile (CNP) is another tool developed by the LMCI for presenting Texas county-based statistical data in an easy-to-read narrative format. This CNP module is an impressive and easily accessible analytical tool with a wealth of geography, population, employment, and education information and data available for all 254 Texas counties from the “SOCRATES” labor market information system. It was developed as an alternative to looking through stacks of tables and charts and allows the user to easily access or request an easy to understand report on one or more of the 254 counties in Texas. SOCRATES also allows easily access to develop an occupational profile on hundreds of different jobs and includes information on the education necessary as well as the employment outlook for the occupation. (See attached **Appendix B** for a sample of one occupational profile.) (Source: <http://socrates.cdr.state.tx.us/>.)

The SOCRATES system stands for the *Standardized Occupational Components for Research and Analysis of Trends in Employment System*. In addition to the information above, the SOCRATES software is designed as a tool to assist local Texas planners perform a regional labor market analysis. SOCRATES is useful for local workforce planning under the Workforce Investment Act (WIA) to generate lists of Targeted Industries and Targeted Occupations. Below is a sample County Narrative Profile (CNP) for Galveston and attached in Appendix A is a sample of a readily accessible occupational profile. As with the county profile below, the attached sample occupational profile is comprehensive and includes details for employment and wage projections, as well as the education or training necessary for the specific job requested. There are hundreds of occupational profiles to choose from and the system is highly user-friendly. Of the state labor market systems reviewed, this may be the most extensive and accessible to the employer, student and job seeker.

Sample Highlights of the County Narrative Profile for Galveston

Geography

Regional Information: The Galveston County region had an estimated population of 250,158 in 2000. The region consists of 873 square miles with a population density of 286.55 residents per square mile compared to a statewide density of 79.54. This county ranked 15th in 2000 population compared to all 254 counties in Texas. Galveston County is a member of TWC's Gulf Coast Local Workforce Development region. This area is a metropolitan county. This county also ranked 185th in size by square miles when compared to all counties in Texas.

Texas has established a network of 24 Councils of Government (COGs) to assist local governments in planning for common needs and to coordinate regional economic development activity. Galveston County falls within the Houston-Galveston Area Council region. For additional information and links to the COG regions see www.txregionalcouncil.org/.

The Office of the State Climatologist in College Station, under the guidance of the National Oceanic and Atmospheric Administration, maintains 10-year intervals of weather compilations. For most recent interval as of January 1, 1993, the rainfall in the region averages 42.3 inches per year compared to the Texas average of 30.1 inches per year.

Local Workforce Board: Galveston County is a member of the TWC Gulf Coast local workforce board area. Local addresses, references to specific needs and services can be found at the Gulf Coast web site at <http://www.twc.state.tx.us/dirs/wdas/wda28.html>. Further information on all Local Workforce Boards: <http://www.twc.state.tx.us/dirs/wdbs/wdbmap.html>.

Civilian Labor Force (CLF): The most recent civilian labor force estimates from TWC for Texas statewide in November 2005 is 11,330,878 which is an increase in the labor force of 210,371 persons since November 2004. This represents a 1.9 percent change in Texas during this time period. Galveston County had a civilian labor force of 139,960 for November 2005, which was a change of 2,038 in CLF since November 2004. This change represented an increase of 1.5 percent for the study area. For more on TWC LMI Texas and County information, link to: <http://www.tracer2.com/cgi/dataanalysis/AreaSelection.asp?tableName=Labforce>.

VI. Economic Data on Working Families

Last fall, the *Economic Policy Institute*, a national economic think tank, released its biennial study of wage and employment trends in all 50 states. The study cited the median household income in Texas as lower than the national average – in 2003 the Texas median income was only 91 percent of the national median (\$39,271 compared to \$43,318), the lowest percentage since 1989 and down from 97 percent in 2001. The Texas Center for Public Policy Priorities (CPPP) attributed the reason for the lower wages in Texas to the unemployment rate, which is higher than the national average, (but improved in 2005 and closer to the national average). CPPP also correlated the unemployment picture to the high rates of poverty in Texas, and noted that a the higher percentage of Texans have incomes are less than twice the poverty line. (*Source: Dick Lavine, "Latest Data Show Texas Working Families Falling Further Behind Other Americans," The Policy Page, Texas CPPP, September 5, 2004.*)

A separate workforce article by the CPPP cautioned that Texas' high share of workers with less than a college education was also keeping overall wages lower than the national average. CPPP contends that Texas faces numerous challenges in improving the educational level of its labor force, particularly give that more than 18% of the Texas labor force did not finish high school, compared with 12.5% nationally. (*Source: Don Baylor, "The State of Working Texas 2005," The Policy Page, Texas CPPP, September 2, 2005.*)

Industry Trends

Texas universities and research institutions are leaders in electronics, medical, biotechnology, aerospace, advanced materials, and energy research. In fiscal year 2003, Texas ranked third in the nation for total number of patents. Several Texas universities and research institutions are leaders in electronics, medical, biotechnology, aerospace, advanced materials, and energy-related research. In 2001, Texas ranked fifth in the nation with \$4.3 billion in federal expenditures for research and development. Data from the U.S. Patent & Trademark Office indicate that Texas was issued 6,424 utility patents in fiscal year 2004, the third highest in the nation, trailing behind California and New York. Texas' patent generation rate has increased significantly as new information technology industries have emerged and as traditional industries (e.g., oil and gas exploration and production) have used advanced research to maintain a competitive advantage in world markets. (*Source: Business and Industry Data Center, Governor's Office of Economic Development and Tourism. www.governor.state.tx.us/divisions/ecodev/bidc/ and www.bidc.state.tx.us/overview/2-2te.htm#IndusTrend*)

Business and Industry Data Center

The source for the Industry Trends section above was the Texas Business and Industry Data Center (BIDC), which is a creative partnership with the Governor's Office initiated by the U.S. Census Bureau to make economic data and statistics more widely available at the state and local levels. The Governor's Office of Economic Development and Tourism Office (ED&T) participates in this program through agreements with the Census Bureau and the State Data Center at the University of Texas at San Antonio. The participation of the Economic Development and Tourism Office in the BIDC program provides a cost effective way to deliver

the economic research and data services, since state participation in the Census Bureau's program requires no direct outlay of state funds. (The Census Bureau and the U.S. Bureau of Economic Analysis provides data to participants at no cost.)

State law requires the Economic Development and Tourism Office (ED&T) to share and exchange data and statistics with other agencies and organizations in order to facilitate easier access by the general public. As a result, the ED&T is a one-stop source for numerous types of economic data. (*Source: Business and Industry Data Center, www.bidc.state.tx.us/2-5about.htm.*)

VII. Economic Development – Texas State Initiatives

Governor Rick Perry has made job creation and economic development a cornerstone of his administration with a number of different and ambitious initiatives including the three funds described below.

1) Texas Enterprise Fund

The Texas Enterprise Fund (TEF) has earned a reputation as the most aggressive and successful job creation tool in America since Perry proposed its creation in 2003. In 2004, Site Selection magazine named Texas the top state in nation to do business and in its March 2005 issue, it awarded the "Governor's Cup" to Texas for the "most job creation announcements" in the nation. The creation of the TEF is considered to be instrumental attaining this award. (*Source: Texas Enterprise Fund Application, Office of the Governor, www.governor.state.tx.us.*)

Perry has used the Texas Enterprise Fund bring tens of thousands of new jobs to Texas and add a reported \$6 billion to the economy. To date, more than 14,000 new jobs are credited with the help of the TEF program. Of the contracts already completed, the average rate of return on the TEF investment is reported at 335%. TEF has allocated \$181 million thus far and is expected to have an estimated annual gross state impact of over \$2.2 billion. Texas has the largest fund of this kind in the nation. Though Florida and Louisiana have similar funds, the TEF is considered the most responsive and flexible fund for economic development in the United States.

To date, TEF has partnered with the University of Texas at Dallas to secure a new \$3 billion Texas Instrument plant in Dallas, Baylor College of Medicine to explore the bovine genome and with the UT Health Science Center to establish the new Center for Advanced Diagnostic Imaging. The partnerships between corporations and universities that have received TEF funds are excellent examples of sustainable economic development that will keep Texas on the cutting edge of technological discovery and evolution.

(*Source: www.governor.state.tx.us/priorities/ecodev/.*)

2) Emerging Technology Fund

In June 2005, a \$200 million Texas Emerging Technology Fund was approved by the State to help attract growth in high-tech fields like biomedicine and nanotechnology and was an outgrowth of the Governor's 2002 Council on Science and Biotechnology Development.

Governor Perry proposed the Emerging Technology Fund in 2004 with the intent of attracting the world's best scientists and researchers to Texas universities, as well as high-tech jobs and start-up companies to get their inventions out of the lab and into the hands of consumers sooner. The Emerging Technology Fund will include *three* major areas of investment described below.

First, half of the funding would be dedicated to creating collaborative efforts between institutions of higher education and the private sector to create "Regional Centers of Innovation and Commercialization." Texas has already been successful in creating two such centers, with Sematech in Austin, and the Center for Advanced Diagnostic Imaging in Houston.

Governor Perry envisions the new Regional Centers of Innovation and Commercialization as research and development centers, as incubators for start-up firms, and as a lure for existing companies that can commercialize their developments and provide workforce training for employees in the area.

Second, one-fourth of the Emerging Technology Fund, would be used to match research grants awarded by federal or private sponsors. The Governor believes these funds will help Texas researchers better compete for out-of-state dollars because sponsors know that their contributions will have double or more the impact. Use of these funds would be focused on projects that are collaborative with Texas colleges and universities have a likelihood of leading to scientific breakthroughs and have a clear economic development benefit to the state.

Third, Governor Perry proposed using one-fourth of the funds to help make Texas public universities world leaders in technology research by attracting more renowned research teams from other universities and to help put Texas universities on the cutting edge of technology research and development. (*Source: www.governor.state.tx.us/priorities/ecodev/emergTech/*)

3) Economic Development Bank

The Economic Development Bank is considered one of Texas' latest tools to promote job creation. Created by the State Legislature in 2003, the Bank provides incentives to businesses wishing to relocate or expand in Texas, as well as assist local communities in accessing capital for economic development. These finance, development and enterprise programs are targeted at either "Early Stage," "Growth Stage," and "Mature" Business stages and include:

- Product Development Fund
- Small Business Incubator Fund
- Texas Leverage Fund
- Industrial Revenue Bond Program
- Texas Industry Development Loan Program
- Capital Access Program
- Linked Deposit
- Texas Enterprise Zone Program
- Defense Economic Readjustment Zone Program
- Federal Enterprise Zone / Renewal Community Program.

(*Source: www.governor.state.tx.us/divisions/ecodev/ed_bank/*)

VIII. Workers' Compensation Reform

Governor Perry signed several reforms to the workers' compensation system, which are intended to lower costs for employers and improve care for injured workers. The old system was considered to be hindering economic growth by forcing employers to pay some of the highest costs in the nation and not encouraging or assisting injured workers to return to the job in a more timely fashion. The reforms signed by Perry in 2005 are expected to improve benefits and care for injured workers, which, in turn, are expected to free more employer resources for expansion and job creation.

The TWC used creative borrowing to save businesses about \$300 million and enable the TWC to avoid a tax increase by selling bonds in 2004 to keep the UI Compensation Fund at mandated levels. The Austin Business Journal noted the Unemployment Compensation Trust Fund was seriously depleted after the layoffs of 2001 and 2002 and resulted in an influx of new claims that drained the fund. The TWC was able to avoid a tax increase, however, by selling bonds earlier to keep the fund at mandated levels. A total of \$1.4 billion in bonds were sold through the Texas Public Finance Authority to replenish the trust fund without tax dollars. TWC projected that without the bond sale, businesses would have faced \$1 billion in 2004 taxes. Employers, however, will still face higher costs because the bonds must still be repaid over a five-year period. (Source: "Texas unemployment taxes hold steady," *Austin Business Journal*, December 31, 2003.)

TWC saved the \$300 million in funds by going to private bonding sources and securing a rate less than 2 percent, instead of the federal government at a 6 percent interest rate. It was the first time TWC sold bonds to replenish the Unemployment Compensation Trust Fund and received state authorization to do so in 2003. Prior to authority, the only way the TWC could replenish the trust fund was by borrowing money from the federal government and raising taxes to repay the debt. (Source: "Texas unemployment taxes hold steady," *Austin Business Journal*, December 31, 2003.)

IX. EDUCATION SERVICES

Education and Training Provider Information

The Labor Market and Career Information (LMCI) department of the Texas Workforce Commission (TWC) operates the *Career Development Resources* (CDR) system -- yet another example of the use of state-of-the-art technology. Created by the CDR (with funding from the Employment and Training Administration of the U.S. Department of Labor), *Data for Educational and Career Informed Decisions for Everyone (DECIDE)* provides information on hundreds of education and training programs in its postsecondary education system and was established to help students and employers make informed decisions about postsecondary education and training programs. In addition to a wealth of information, it is also easily accessible and user-friendly information. (CDR also operates *SOCRATES* described in the *Labor Market* section above, and a highly innovative "Reality Check" workforce data base

targeted to youth and described in the Youth Services section below.) (Source: CDR at decide.cdr.state.tx.us/ASP/intro.asp)

Development of the DECIDE program has been *severely stymied* in recent years because of problems with data sharing agreements due to interpretation of the federal Family Educational Rights Privacy Act (FERPA) in 2003. These changes have prevented Career Development Resources (CDR) from updating the DECIDE program, and as a result, the employment and education data information available are becoming seriously out of date (from about 2000). The federal government could help matters by establishing clear FERPA guidelines for data sharing agreements beginning with the U.S. Departments of Labor, Education, and Health and Human Services. The Rockefeller Institute cites part of the problem as a narrow Texas interpretation of FERPA and the re-release of student data, along with the equally narrow U.S. Department of Education guidance. As a result, CDR has been unable to use its Automated Student and Adult Learner Follow-up System, the states mechanism for measuring outcomes across WIA, TANF, Perkins and other programs. (Source: "Workforce Investment Act in Eight States," P. 146, Rockefeller Institute, 2004.)

DECIDE is a state of the art program designed as a comprehensive educational consumer reporting system providing data in *six* crucial areas: schools and programs of study; follow-up data on former students; occupational exploration; labor market information; skills exploration and testing; and demographic and geographic information. Prior to DECIDE, consumers had little access to information about schools and programs of study and no empirical data about the performance of former students was available.

(Source: CDR, decide.cdr.state.tx.us/ASP/intro.asp.)

OSCAR -- The *Work Importance Locator* is yet another TWC Career Development Resources (CDR) database designed to allow students or job seekers to perform an on-line self-assessment to determine work values and identify an ideal job. OSCAR was originally developed under a grant from the United States Department of Labor, Employment and Training Administration. Originally designed to assist dislocated workers transition to new careers, it is now open to all. Again, this is user-friendly program is designed for individuals who are not familiar with computers. (Source: www.ioscar.org/tx/help/oscarhelp.asp?keyword=about)

Texas Association of Community Colleges

The Texas Association of Community Colleges (TACC) is comprised of all 50 public community college districts in the state. (Source: www.tacc.org/tacc.html.) These institutions provide a variety of academic, vocational and technical skills training programs, including:

- *Technical programs* up to two years in length that lead to certificates or associate degrees;
- *Vocational programs* that lead directly to employment in semi-skilled and skilled occupations;
- *Continuing adult education* programs for occupational upgrading; and
- *Workforce development programs* tailored to meet state and/or local needs.

(Source: Texas Workforce Investment Council, 2005 report on Employer Services. www.texasworkexplorer.com/)

Community colleges have long been the major provider of education and skills training for the workforce system. Early implementation of WIA, however, curtailed referrals to training, as did the introduction of WIA eligible training provider (ETP) requirements. Texas has since sought and received U.S. DOL permission to simplify certification for exempt education institutions.

The Rockefeller Institute report on workforce development cited what may be a more important barrier to working with community colleges -- the fact that many shorter term and intensive training opportunities fail to qualify for Pell Grants. Community college courses must meet a minimum of 360 hours to qualify their enrollees for Pell Grants. This presents a participation barrier for many disadvantaged residents with low skills and education levels.

In Texas, as in most other states, relationships between workforce development programs and community colleges vary significantly across and within workforce areas. WorkSource Career Centers for the most part are not located on the community college campuses. In Houston, Houston Community College, which is the largest in the area, has been actively involved in WIA and earlier training programs, but other community colleges have had little involvement with WIA to date. (Source: "Workforce Investment Act in Eight States," P. 111, Rockefeller Institute, 2004, and "Workforce Investment Act in Eight States," Final Report, P. 31, Rockefeller Institute, February 2005.)

Texas Adult Education

The Texas Adult Education (TEA) system is separate from the workforce system and provides its own operations and oversight of the adult education system. The Texas LEARNS program provides information, technical assistance and guidance to students and local Adult Education/Family Literacy providers in the education of adults 16 years old or older. (Source: <http://www-tcall.tamu.edu/texasLearns/index.htm>.)

Adult education and basic literacy services are designed, in part, to help individuals become literate and obtain the knowledge and skills necessary for employment and self-sufficiency. During 2003-2004, publicly funded services were provided to over 137,000 adults (16 and older) without high school diplomas or equivalencies in Texas. Eligible service providers include local educational agencies, community-based organizations, volunteer literacy organizations, higher education institutions, public or private nonprofit agencies, libraries, and public housing authorities. (Source: Texas Workforce Investment Council, 2005 report on Employer Services. www.texasworkexplorer.com/.)

X. Texas Skill Standards Board

Established by the State Legislature in 1995, the Texas Skill Standards Board (TSSB) is an advisory body to the Governor and Legislature on the development of a statewide system of industry-defined and industry-recognized skill standards for all major skilled, sub-baccalaureate occupations that provide strong employment and earnings opportunities. TSSB is charged with *four* specific mandates:

- validate and recognize nationally established skill standards to guide curriculum development, training, assessment, and certification of workforce skills;
- convene industry groups to develop skill standards and certification procedures for industries and occupations in which standards have not been established or adopted and recognize the skill standards and certification procedures;
- review standards developed by other states and nations and enter into agreements for mutual recognition of standards and credentials to enhance portability of skills; and
- promote the use of standards and credentials among employers.”

Six community and technical colleges in Texas have incorporated skill standards into their technical programs such as air conditioning repair, radio and computer technology and customer service training programs. Each of these skill standard programs ensures that the workforce skill needs of business and industry are met, and the TSSB has formally recognized each of the programs. (Source: www.tssb.org/index2.htm)

XI. Youth Workforce Services

As noted earlier, the local workforce investments boards (WIBs), like the Texas Workforce Investment Council, have been grandfathered under WIA (but remain chaired by an employer representative and with majority business membership). As part of its decision to exercise the grandfathering option, Texas chose to establish the boards as both the WIBs and the *youth councils*, rather than create separate entities for each. The Texas Workforce Commission, however, strongly encouraged local boards to establish youth advisory groups that mirrored the basic requirements for a youth council under WIA. (Source: “*Workforce Investment Act in Eight States*,” P. 108, Rockefeller Institute, 2004.)

The Texas workforce system is unusual in its stated emphasis on out-of-school youth. It focuses the WIA youth investments on out-of-school youth, including youth aging out of foster care, youth in the juvenile justice system, and youth of incarcerated parents -- as well as collaborative service delivery across Federal programs, and increased accountability. (Source: *Texas Strategic Two-Year State Workforce Investment Plan, July 1, 2005 – June 30, 2007.*)

As noted above in the *Education and Training Provider Information* section, the TWC *Career Development Resources* (CDR) office (of the Labor Market and Career Information department) has developed a highly innovative “*Reality Check*” workforce tool targeted to youth to provide a “reality check” on the cost of living, and how the monthly salaries of most jobs fall short. The “*Reality Check*” web-site is designed to attract youth, yet sends a thought-provoking message on the cost of living versus the income one can expect in a variety of fields. For example, with only a couple of clicks of the mouse, the average salary for an actor is shown as \$25,000 and for a hairdresser as \$22,000. These salaries are also shown with taxes deducted and the final monthly income. With just another click on a Texas city, a youth can find the average cost for a low or high end apartment and related living expenses.

TWC is marketing this tool to assist faith-based and community-based organizations and state agencies working with out-of-school youth to show youth how much money they will need to

pay for the items they want and the careers that will make it possible. Of most of the state workforce systems reviewed, “*Reality Check*” is one of the few workforce programs targeted directly at youth, and also one of the most creative. (Source: *CDR’s Reality Check web site: www.cdr.state.tx.us/realitycheck/*.)

XII. Conclusion

Overall, the Texas workforce system is an impressive, extensive and well-coordinated one. The vision for the workforce system is to be the first place employers go for workforce solutions, however, the State recognizes that major employers are still not adequately accessing the system. Texas is far from unique in this situation, and improving the delivery and measurement of business services is a foremost workforce objective as it seeks to move from a program-driven to an employer-driven system. TWC has established the Office of Employer Initiatives, which reports directly to the deputy executive director, to elevate the state’s commitment to its business customers and to provide planning and technical assistance to the boards for such services. (Source: “*Workforce Investment Act in Eight States*, ”P. 142, *Rockefeller Institute, 2004*.)

The strong emphasis on making the Texas workforce system the first stop for employers has created somewhat of an “identity crisis within One-Stop Career Centers as they try to balance elements of a business services model with the more prevalent social services model.” The programs funded and offered in the career centers are generally more in line with “second-chance” programs related to employment or some form of public assistance. As such, the general perception of One-Stop Career Centers as a provider of first choice among employers for high-skilled workers, incumbent worker training, managers, professional, or other workforce needs is limited.

Texas, and the Governor’s Office, however put a strong emphasis on workforce issues as well as on economic development. A prime example of this effort began in 2003, when Governor Perry sought and received approval for the Texas Enterprise Fund (TEF). The program has since been recognized as the most aggressive and successful job creation tool in the country. Specifically, *Site Selection* magazine named Texas the top state in nation to do business in 2004, and in its March 2005 issue, it awarded the “Governor’s Cup” to Texas for the “most job creation announcements” in the nation.

Again, the Texas Workforce Commission (TWC) through its Labor Market and Career Information (LMCI) department has “invested heavily” in the use of advanced technology for the delivery of workforce services resulting in an impressive payoff in an array of programs designed to serve job seekers, employers and the administration of the workforce system itself. LMCI has developed a County Narrative Profile (CNP) database as a tool for presenting Texas county-based statistical data in an easy-to-read and access format. This CNP component is an impressive and easily accessible analytical tool with a wealth of geography, population, employment, and education information and data available for all 254 Texas counties from the TWC’s “SOCRATES” labor market information system.

SOCRATES includes other readily accessible data, including an extensive occupational profile

system for hundreds of jobs (*Appendix B*), which provides detailed information for employment and wage projections, as well as the education or training necessary for any specific occupation requested, in any county or region requested. Of the various state labor market systems reviewed to date, those available through the LMCI may be the most extensive and accessible to the employer, student and job seeker. The LMCI Career Development Resource (CDR) office has also developed a highly innovative “*Reality Check*” workforce database targeted to youth to provide a “reality check” on the cost of living and the monthly salary of most jobs. “*Reality Check*” is one of the few workforce programs targeted directly at youth, and is also one of the most creative.

A final noteworthy technology piece created by the LMCI is the DECIDE program, which has been severely hampered in its growth because of problems with data sharing agreements due to the Texas interpretation of the federal Family Educational Rights Privacy Act (FERPA) in 2003. These changes have prevented the CDR from updating the DECIDE program and the wealth of employment and education data information available is quite out of date (from the late 1990’s). (*Source: “Workforce Investment Act in Eight States,” P. 146, Rockefeller Institute, 2004.*)

The Texas Business and Industry Data Center (BIDC) is a creative partnership with the Governor’s Office initiated by the U.S. Census Bureau to make economic data and statistics more widely available at the state and local levels. The Governor’s Office of Economic Development and Tourism Office (ED&T) participates in this program through agreements with the Census Bureau and the State Data Center at the University of Texas at San Antonio. The participation of the Economic Development and Tourism Office in the BIDC program provides a cost effective way to deliver the economic research and data services, since state participation in the Census Bureau’s program requires no direct outlay of state funds.

Also of note is the creative borrowing on the part of TWC, which *saved businesses about \$300 million* and enabled the TWC to avoid a tax increase by selling bonds in 2004 to keep the UI Compensation Fund at mandated levels. A total of \$1.4 billion in bonds were sold through the *Texas Public Finance Authority* to pump up the trust fund without tax dollars. TWC projected that without the bond sale, businesses would have faced \$1 billion in 2004 taxes.

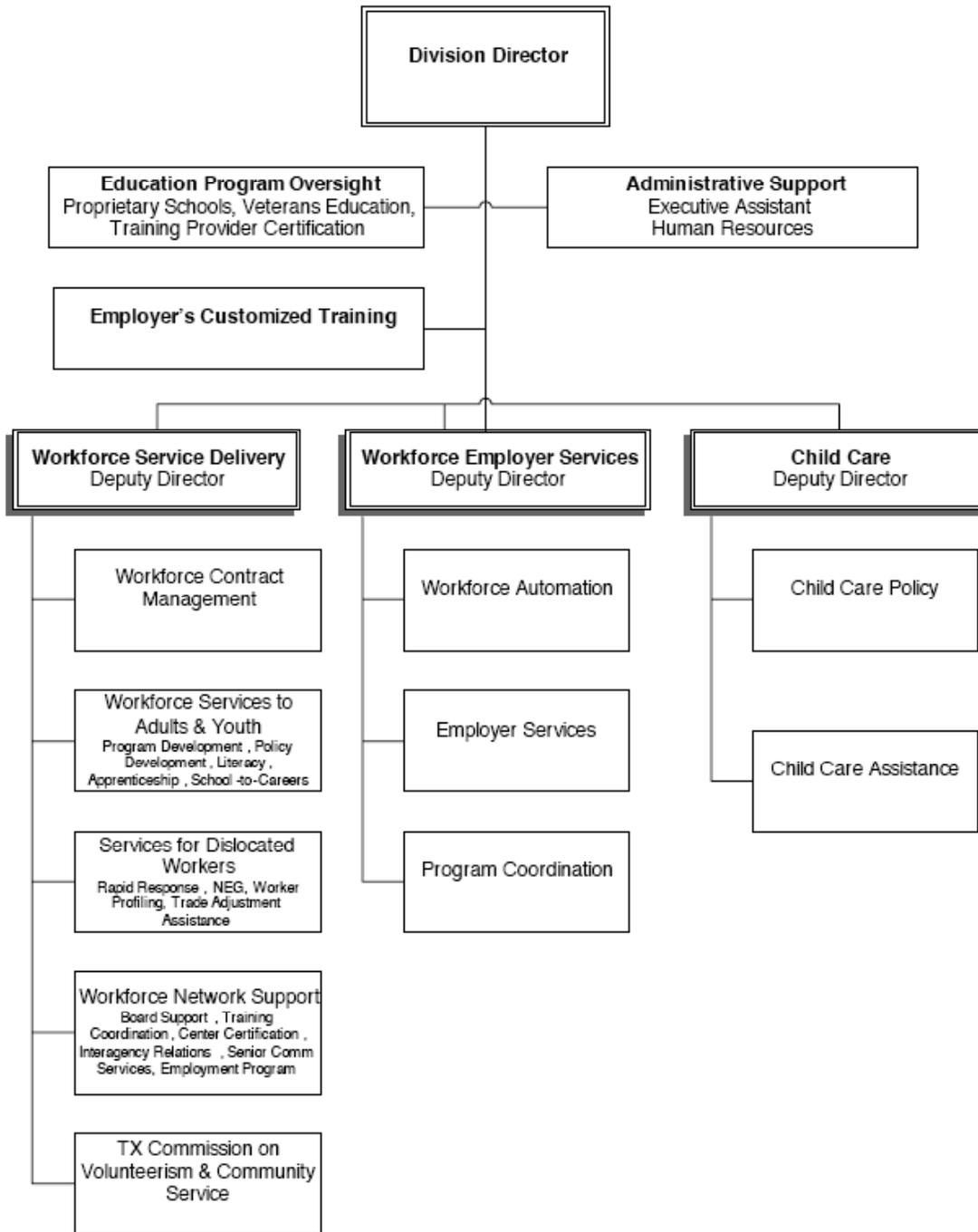
To recap, the Texas workforce system is an impressive, extensive and well-coordinated system. The technology and labor market information system is a true standout of the workforce system, as are a number of their economic development initiatives launched through the Governor’s Office.

XIII. References

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Appendix A

Figure 2: TWC Workforce Development Division



(Source: "Workforce Investment Act in Eight States," P. 149, Rockefeller Institute, 2004.)

Appendix B

SOCRATES

Sample of a “Create an Occupational Profile”

Sample: SOC 49-9021 Heating, Air Conditioning, and Refrigeration Mechanics and Installers in the Dallas region.

OCCUPATION DESCRIPTION

General Job Description

Install or repair heating, central air conditioning, or refrigeration systems, including oil burners, hot-air furnaces, and heating stoves.

Method of Entry

Occupations at this level generally require more than 12 months of on-the-job training or combined work experience and formal classroom instruction for workers to develop the skills needed for average job performance. This category includes formal and informal apprenticeships that may last up to 4 years and short-term intensive employer-sponsored training that workers must successfully complete. Individuals undergoing training are generally considered to be employed in the occupation. Includes occupations in which workers may gain experience in non-work activities, such as professional athletes who gain experience through participation in athletic programs in academic institutions.

Use of Advanced Technology

Every occupation includes some relationship between job duties and the use of advanced technology -- defined as work activities and environments that incorporate complex electronics as found in computers, lasers, robotics, digital devices, satellites, etc. While basic computer skills such as "keyboarding" apply to an increasing number of occupations, each has different levels of technology interface. Heating, Air Conditioning, and Refrigeration Mechanics and Installers is classified as an occupation whose job duties involve occasional use of technology.

EMPLOYMENT OUTLOOK:

Dallas Local Workforce Development Area Labor Market Information

Regional Employment 2002: 3,330

Projected Regional Employment 2012: 4,115

Absolute Change 2002 - 2012: 785

Percent Change 2002 - 2012: 23.57%

Average Hourly Wage 2004: \$17.73

Average Openings per year due to Replacement: 44

Average Openings per year due to Growth: 79

Texas Labor Market Information

Texas Employment 2002: 20,237

Projected Texas Employment 2012: 26,078

Absolute Change 2002 - 2012: 5,841

Percent Change 2002 - 2012: 28.86%

NCEE Texas Workforce Report

Average Hourly Wage 2004: \$17.55
Average Openings per year due to Replacement: 269
Average Openings per year due to Growth: 584

National Labor Market Information
National Employment 2002: 249,000
Projected National Employment 2012: 328,000
Absolute Change 2002 - 2012: 79,000
Percent Change 2002 - 2012: 31.8%
Average Hourly Wage 2004: \$18.30
Average Openings per year due to Replacement: 3,300
Average Openings per year due to Growth: 7,900

Additional Labor Market Information
Turnover: VERY LOW
Average Age of Workers in Occupation: 37.0
Average Years in Occupation: 6.6
Average Years with Current Employer: 4.1
Percent Female: 1.2%
Percent Non-White: 28.4%