

*Strategic State Workforce
Investment Plan*

for

*Title I of the Workforce Investment Act of
1998 and the Wagner-Peyser Act*

Part I

State of Texas

*for the period of
JULY 1, 2005–JUNE 30, 2009*

State Plan for the Texas Workforce System

Purpose

The purpose of this plan is to set forth the key strategies that will direct the business of the Texas workforce system for the next two years. The plan is presented in two distinct sections. Part I includes a message from the Texas Workforce Commission (TWC) and a discussion of how Texas' business strategies support national priorities. Part II, a set of Appendices, expands on Part I and includes responses to detailed operational questions regarding state structure, funding, target populations, and service delivery efforts that the U.S. Department of Labor requires.

Texas Workforce Commission Vision

Texans will view TWC, Local Workforce Development Boards (Boards), and their partners as quality suppliers of workforce solutions.

Texas Workforce Commission Mission

To promote and support a workforce system that offers employers, individuals, and communities the opportunity to achieve and sustain economic prosperity.

A Message from the Commission

The economic picture in Texas continues to improve, creating new opportunities for businesses and workers. With these opportunities come challenges to provide a skilled workforce for emerging industries and growing businesses. As we look toward the next two years, we are dedicated to leading a market-driven workforce system that meets the needs of employers and helps all Texans achieve economic prosperity.

The Texas economy remains strong. Texas employers have added 584,400 jobs since July 2003, when the state's economy started its current upturn. Initial claims for unemployment compensation for September 2006 were down 30.1 percent from the year before. The unemployment rate for Texas for September 2006 was 4.8 percent, continuing its steady decline. The Texas workforce system, building on the strength of its local partners and the spirit of its employer community, is prepared to seize the opportunities created by the expanding state economy.

Governor Rick Perry has made economic development one of the pillars of his administration, and TWC and the Boards have been proud to play a central role in that effort. TWC administers the Skills Development Fund, which provides customized job training to help employers locate or expand in Texas and to allow workers to upgrade their workplace skills. TWC has facilitated the Governor's Industry Clusters Initiative, a project to put into place the infrastructure and

workforce that will help Texas enhance its standing in key industries for the 21st century. TWC supported the launch of the Emerging Technology Fund, which promotes the development and commercialization of emerging technologies that will create new, high-quality jobs in Texas or have the potential to create medical or scientific breakthroughs. TWC and the Boards have partnered with local businesses and organizations to support the growth of local and regional economies.

TWC believes that employers are critical to the success of a market-driven workforce system. TWC continues to seek ways to eliminate duplication and align programs more effectively, while awaiting new direction from Congress on the reauthorization of the Workforce Investment Act (WIA). TWC is focused on the Governor's priority of fostering opportunity and economic prosperity for all Texans. We are aligning our many programs and integrating them at the local level in Texas Workforce Centers. This allows job seekers to be served locally by personnel who are familiar with the workplace and training opportunities in their communities.

TWC views strategic planning as an opportunity to further its vision to prepare the highly skilled workforce that Texas employers need to compete successfully in the global marketplace of the 21st century. We appreciate the input and support we have received from state leadership and look forward to working with them to best serve the needs of Texas.

Sincerely,

Diane Rath
Chair and Commissioner Representing the Public

Ron Lehman
Commissioner Representing Employers

The Texas workforce system will accomplish its mission through the following strategies:

Strategy 1: A Market-Driven Approach

To promote the Texas workforce system as a market-driven approach to service delivery, with businesses as the primary customers

The foundation on which all solutions are crafted is based on the workforce-related needs of business and industry.

The principles of our market-driven approach are that:

- We will engage employers as codesigners of service delivery based on key business and workforce challenges they identify;
- We will initiate and maintain long-term relationships with local employer groups and industry associations;
- We will identify and target growing occupations and industries of the future;
- We will deploy local Business Services Units for face-to-face service evaluations with those identified as high-growth, high-demand industry employers;
- We will know the skills and competencies associated with those jobs;
- We will know where available employment opportunities exist;
- We will engage education entities to help shape and empower the workforce of tomorrow;
- We will continually evaluate our processes and programs to ensure we are able to provide just-in-time solutions to employers based on their long-term needs;
- We will strive to think and function as businesses do;
- We will focus on delivering comprehensive workforce solutions rather than simply providing individual services.

Implementation

Inherent in a successful market-driven approach to service delivery is *understanding* the market and targeting it appropriately to achieve the best possible outcomes with available resources.

The Texas workforce system has changed its service delivery approach. A comprehensive focus on businesses drives service delivery, rather than a focus on individual participants and targeted groups. The service delivery model for the 21st century workforce system has evolved beyond a simple basic labor exchange function. The system must be informed by the needs of all its stakeholders and offer an array of workforce services to meet those needs, spanning the gamut from training and education to job matching.

Workforce service delivery will begin with an analysis of business and labor market needs.

Texans—employers and job seekers—will view the public workforce system as a problem solver that provides solutions to address labor and skill shortages.

Strategy 2: Industry Clusters

To form state and regional partnerships to foster growth and development in support of the Governor's Industry Cluster Initiative

The goal of the Industry Cluster Initiative is to stimulate long-term sustained growth and focus the allocation of state resources on key industry clusters that economists believe will be the engine of job creation and economic development in the 21st century.

Implementation

“Industry cluster” ... a concentration of businesses and industries in a geographic region that is interconnected by the markets they serve, the products they produce, their suppliers, the trade associations to which their employees belong, and the educational institutions from which their employees or prospective employees receive training.

By supporting industry clusters, Texas is better positioned to compete nationally and internationally for the jobs of the 21st century. By focusing on these clusters, Texas will be able to maximize its limited resources to monitor specific regional workforce and economic conditions and to develop plans of action to bring new jobs to Texas. Other industries link to the target clusters and also will benefit from this approach, as success in these core clusters increases long-term competitiveness and regional prosperity in other industries.

Texas’ target industry clusters are as follows:

- **Advanced Technologies and Manufacturing**, including four subclusters
 - Nanotechnology and Materials
 - Micro-electromechanical Systems
 - Semiconductor Manufacturing
 - Automotive Manufacturing
- **Aerospace and Defense**
- **Biotechnology and Life Sciences**
- **Information and Computer Technology**, including three subclusters:
 - Communications Equipment
 - Computing Equipment and Semiconductors
 - Information Technology
- **Petroleum Refining and Chemical Products**
- **Energy**, including three subclusters
 - Oil and Gas Production
 - Power Generation and Transmission
 - Manufactured Energy Systems

Strategy 3: Training Resources

To encourage targeting limited training resources to businesses and industries associated with the Governor's Industry Cluster Initiative, high-growth, high-demand occupations, emerging occupations, or those that have significant impact on the local economy

Implementation

The Texas workforce system must engage employers within high-growth, high-demand industries to identify their current unmet skills demands and emerging skills demands. Training investments then must be directed to high-priority occupations that bridge the gap between the current skills levels of the workforce and the skills demands of employers.

Additionally, training investments must focus on convergent skills requirements within the high-growth, high-demand industries to better equip a greater number of workers with skills that will consistently address employers' demands throughout the continuum, from entry-level to highly skilled occupations.

TWC will focus the Program Year 2006 and 2007 Board plans on high-priority training investments to meet the skills demands of high-growth, high-demand industry sector employers. Boards will be required to describe how their high-priority training investments will increase the skills and education levels in their local workforce development area (workforce area) to ensure a strong workforce.

Strategy 4: Regional Planning

To increase the emphasis on regional planning

The goal of regional planning is to develop regional workforce priorities and strategies that guide policy development. Boards in designated regions will collaborate and identify high-growth, high-demand industries and assist those employers with hiring and upgrading worker skills.

Implementation

TWC believes that regional planning is a mechanism that allows Boards to develop and implement new, streamlined business models and practices that create a customer-focused and friendly system. Regional planning among contiguous workforce areas helps attract and retain businesses, and increases the consolidation and integration of the Texas workforce system infrastructure.

TWC implemented a regional planning demonstration project in three regions of the state and dedicated funds to assist with plan development and implementation. In addition, TWC has committed to requiring regional planning for certain workforce areas. Part II discusses regional planning in detail.

Strategy 5: Workforce Tools and Products

To enhance existing tools and products and identify new tools that support workforce solutions

Implementation

TWC continues to seek input from Texas workforce system users on needed enhancements to current tools and the development of new workforce and economic development tools. TWC will:

- increase marketing of tools such as *SitesOnTexas* and *Texas Industry Profiles*;
- promote the use of these tools among Texas workforce system professionals through the development and implementation of training workshops;
- promote the use of career development tools such as *Pathways to Personal Independence*, *Job Hunter's Guide*, *Your Next Job*, and *Succeed At Work* (all available online and in Spanish) among the Texas workforce system's employment and career specialists through Quarterly Workforce Forums; and
- market and promote the use of tools that assist faith- and community-based organizations and state agencies working with out-of-school youth. Such tools include the recently developed *Reality Check*—a Web-based tool that shows youth how much money they will need after high school to pay for their needs, and which careers will allow them to earn this amount of money.

Priorities for the Nation's Workforce System

The Texas workforce system's mission and strategies are aligned with national priorities.

- Implementation of a market-driven workforce system is addressed by *Strategy 1: A Market-Driven System*.
- Improved job training that prepares more individuals for the growing and changing economy, ensuring that no worker is left behind—no veteran, no ex-offender, no dislocated worker, no one—is addressed by *Strategy 2: Industry Clusters* and *Strategy 3: Training Resources*
- A refocusing of 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, is addressed by *Strategy 1: A Market-Driven System*. Texas has implemented a waiver that makes it easier to place older and out-of-school youth in training and also has implemented policy increasing the required expenditure levels for out-of-school youth, both discussed in detail in Part II.
- System reform to eliminate duplicative administrative costs to enable increased training investments is addressed by *Strategy 4: Regional Planning*.
- Enhanced integration of service delivery through one-stop delivery systems nationwide is addressed by *Strategy 1: A Market-Driven System*. Texas has allocated funds to workforce areas, allowing Boards to determine the mix of funds, programs, and staff to best serve employers and job seekers.
- Improved development and delivery of workforce information to support workforce investment boards in their strategic planning and investments; providing tools and products to support business growth and economic development; and providing quality career

guidance directly to students and job seekers and their counselors through One-Stop Career Centers, is addressed by *Strategy 5: Workforce Tools and Products*.

- Faith-based and community-based organizations playing an enhanced role in workforce development is addressed by *Strategy 5: Workforce Tools and Products*.
- Enhanced use of waivers and workflex provisions in WIA to provide greater flexibility to states and local areas in structuring their workforce investment systems is addressed in Part II.
- Reporting against common performance measures across federal employment and training programs. Texas has taken steps to implement Common Measures, which is discussed in detail in Part II.
- Implementation of the Workforce Innovation in Regional Economic Development (WIRED) initiative to focus on regional economic development and job growth, is addressed by *Strategy 4: Regional Planning*.

Results

The Texas workforce system will become the first place employers go for workforce solutions. Employers in high-growth, high-demand and emerging industry sectors will actively use the Texas workforce system and promote its benefits to other employers. TWC, the Boards, and Texas Workforce Center staff, through collaboration with the Texas Workforce Investment Council and other Texas workforce system partners, will be knowledgeable of economic and workforce conditions as well as employers' current and future skills demands. This knowledge will be used when assisting customers—employers and job seekers—with their skills needs.