

***Strategic State Workforce
Investment Plan
(Modification submitted June 30, 2009)***

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, 2010***

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 year. 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 Solutions

TWC, in partnership with 28 Local Workforce Development Boards (Boards), forms Texas Workforce Solutions, serving nearly 450,000 employers and nearly 12 million workers throughout the state. Texas Workforce Solutions provides vital workforce development tools that help workers find and keep good jobs, and help employers hire the skilled workers they need to grow their businesses. Texas Workforce Solutions provides innovative services to support employers and workers statewide, through one-stop centers (i.e., Texas Workforce Centers) across the state and additional workforce partners, including community colleges, adult basic education providers, local independent school districts, economic development groups, businesses, and other state agencies. Collaboration and coordination across these agencies and local entities plays a critical role in the success of the Texas workforce system, and the Commission and Boards often lead the establishment of such partnerships.

Texas Workforce Commission Vision

Texans will view TWC, the Boards, and their partners as a quality supplier of workforce solutions that contribute to economic prosperity.

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

Although the impact of the national recession continues, Texas' economy remains one of the strongest in the nation and our unemployment rate continues to trend well below the national rate. The challenge of sustaining Texas' strong economic position, promoting economic recovery, and assisting those most affected by the recession demands foresight and planning to provide a skilled workforce for today and the future.

In an environment of increased demand for workforce development services and leadership, TWC is focused on helping Texans find employment and endure these challenging economic times. Texas Workforce Solutions continues to cultivate emerging industries, support existing businesses, and enhance the skills development of the Texas workforce, taking advantage of strategic opportunities provided by swift economic change. As we look to the next year, we are dedicated to leading a market-driven workforce system that meets the needs of employers and workers and helps Texans prosper.

TWC, Texas' 28 Boards, and their partners play an integral role in the success of the Texas economy. By delivering integrated services at the local level to employers and job seekers, the Texas workforce system addresses each community's unique needs for a skilled workforce and promising jobs.

TWC administers the Skills Development Fund—the state's premier job training program—with approximately \$50 million provided by the Texas Legislature for the 2008–2009 biennium. The Skills Development Fund supports employers by providing customized job training and allows workers to upgrade their skills.

TWC supports the findings of the Governor's Competitiveness Council Report, which addresses issues affecting Texas' competitiveness in the global marketplace and defines key elements essential to a competitive economy, including the following:

- *Skilled workers and educated citizens:* The Skills Development Fund, Workforce Investment Act (WIA) training, and registered apprenticeship training programs are among the many opportunities to develop today's workforce.
- *Ability to attract and grow business:* A ready workforce is essential to attracting and growing business in Texas. In addition, TWC provides career and economic data, competitive wage information, industry profiles, and labor market analysis to arm employers with the knowledge they need to succeed.
- *Cultivate an entrepreneurial spirit:* Through business support, recruitment assistance, and customized training, TWC supports new and expanding Texas businesses.
- *Innovative ideas:* TWC's customized training programs encourage public-private collaboration. TWC plays a central role in Governor Rick Perry's Texas Industry Cluster Initiative, strengthening industries that offer the best promise of future job growth.

TWC accomplishes these goals while serving as a responsible steward of state and federal dollars. Our goal is to increase efficiency and improve results within necessary budget constraints.

TWC has moved quickly to allocate millions in American Recovery and Reinvestment Act (ARRA) of 2009 funds to support training and help Texans find jobs. TWC and our workforce partners are adapting to changing needs and opportunities, and the Texas Workforce Centers are assisting increasing numbers of job seekers with work search, skills training, and other services. TWC is capitalizing on the opportunity provided by ARRA funds and its implementation provisions to further improve the effectiveness of the Texas workforce system.

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 our continued collaboration in serving the needs of Texans.

Sincerely,

Tom Pauken
Chairman

Ronald G. Congleton
Commissioner Representing Labor

Andres Alcantar
Commissioner Representing the Public

TWC will accomplish its mission through six chief strategies, by continuing to:

- be well-served by a market-driven approach to strategic state and local planning and service delivery that is fundamentally aligned with economic and community development strategies and the federal vision for implementation of ARRA (Strategy 1);
- strengthen and leverage policies and initiatives regarding the Governor’s industry cluster initiative (Strategy 2);
- target training resources toward Board-targeted high-growth and emerging industries and associated high-growth, high-demand occupations (Strategy 3);
- promote regional planning and cooperation (Strategy 4); and
- provide and enhance a robust workforce planning information system and data tools that support state and local workforce planning (Strategy 5).

This year, TWC also will leverage system transformation and innovation by further strengthening comprehensive one-stop services while delivering strategic Reemployment Services (Strategy 6).

At a time of economic uncertainty and increased demand for workforce development services and leadership, these strategies will be optimized to help communities and employers create and retain jobs and help Texans find employment that can sustain their families.

Strategy 1: A Market-Driven Approach

To promote the Texas workforce system as a market-driven approach to service delivery that targets services to meet the changing needs of workers and employers

For Texas employers to expand and for new companies to join the Texas business community, Texas workers must be equipped with the skills necessary to respond to the demands of the market-driven system. A flexible workforce system that is fully engaged in state and local economic development efforts, and understands the needs of its customers and crafts solutions to meet those needs, is essential to realizing the state’s full economic growth potential.

Through Texas Workforce Solutions’ market-driven approach, training dollars are targeted toward high-growth, high-demand industries. By providing Texas employers with the skilled workers they need and offering training opportunities for Texas workers, TWC’s focus on workforce development yields effective, long-term economic development results for Texas.

The market-driven workforce system meets the needs of local employers and workers by collaborating with educational institutions, economic development groups, businesses, and other state agencies to provide customized skills training and jobs. This successful model is guided by the concept that individual communities are in the best position to address local workforce needs.

The principles of our market-driven approach are that:

- We will engage communities, employers, and workers as codesigners of service delivery based on the key economic, 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 adapt services to job seekers using strategic employment assessment, development planning, and training solutions tailored to a continuum of needs and services intensity;
- 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 jobs of the present and future;
- We will know where available employment opportunities exist;
- We will engage education entities to help shape 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 efficient businesses, skilled professionals, and responsible stewards of the public trust; and
- 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. A comprehensive focus on businesses drives service delivery. The workforce 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.

In Texas, the expectation is that workforce service delivery begins with an analysis of business and labor market needs and then provides services to meet those needs so that Texans—employers and job seekers—view the public workforce system as a problem solver that provides solutions to address labor and skill shortages.

Texas continues to be at the leading edge nationally of workforce system transformation with a well-integrated model of one-stop service delivery that serves employers and job seekers in a manner that is fundamentally aligned with economic and community development strategies. Texas policy has emphasized the strategic planning and delivery of services to focus on high-growth industries and occupations and the alignment of education and training at every level with jobs and industries important to local and regional economies.

This alignment is all the more critical to maintain and strengthen at this time to help Texas create and retain jobs, and is reflected and reinforced in Strategies 2 through 6, discussed below.

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

TWC has further strengthened workforce system links to the Governor's industry clusters through Board plan and Board membership guideline enhancements and the development of a Statewide Target Occupations List, which highlights critical occupations that support growth within the Governor's industry clusters.

In addition to promoting industry sector workforce strategies addressing the Governor's industry clusters, which continue to sustain higher-than-average employment growth over time, TWC drives and encourages at the local level various industry sector strategies for workforce development related to renewable and sustainable energy, industries with high potential for green jobs, broadband and telecommunications, health care, and other high-growth and high-demand industries or industry clusters identified by Boards or regions.

Strategy 3: Targeted 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 occupations with a significant impact on the local economy

With increased demand for workforce development services, stewardship of public resources demands a sustained commitment to strategic resource allocation to most effectively direct services. TWC encourages Boards to prioritize their policies and implementation at various levels with these statewide, regional, or locally targeted industries. The most critical prioritization relates to the targeting of training resources so they are optimally aligned with industries and jobs important to regional and local economies.

Implementation

The Texas workforce system engages employers within high-growth, high-demand industries to identify their current unmet skills demands and emerging skills demands. Training investments are then 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. Training must directly advance job seekers' skills retooling so they can establish themselves in viable career paths.

TWC encourages Boards to strategically prioritize their WIA training dollars to focus on industry sector employment strategies including renewable and sustainable energy, industries with high potential for green jobs, broadband and telecommunications, health care, and other high-growth and high-demand industries or industry clusters identified by Boards or regions. TWC requires Boards to focus their training investments to meet the priority occupational and skills demands of high-growth and high-demand industry sector employers. Boards are required to identify their:

- target industries, including those related to the Governor's six industry clusters;
- demand occupations;
- target occupations among their target industries for WIA training; and
- planned strategies in support of their target industries and occupations.

TWC has developed a Statewide Target Occupations List, which highlights critical occupations that support growth within the Governor's industry clusters, many of which dovetail with sector strategies highlighted in WIA ARRA implementation guidance, including renewable and

sustainable energy, broadband and telecommunications, advanced technology and manufacturing, and health care.

A Board may provide WIA training for occupations on the Board's Target Occupations List or the Statewide Target Occupations List. Training services will be provided based on strategic employment assessment, career development planning, and training solutions tailored to a continuum of job seeker needs and services intensity. TWC is directing innovation in this and related areas of service delivery to further improve the effectiveness of one-stop services (see Strategy 6).

Boards have been encouraged to develop plans for ARRA-funded program implementation, from WIA training to youth summer employment, that address high-growth and emerging industry sectors. Boards are pursuing a wide variety of strategies and plans that prepare workers for careers in health care and occupations with high potential for green jobs, including renewable and sustainable energy industries, construction, and advanced manufacturing and technology.

Boards also have strong partnerships, current projects, and new plans for work with their health care sector industries and employers. For example, as a result of actively targeting hospitals and other health care employers, most Boards will have these employers among their youth summer employment sites. Boards will work with employers to ensure youth are provided the necessary training for these positions, and the Boards are using these summer employment opportunities to further leverage the impact of their work in youth health care career promotion, health occupational training, and internships. Boards are similarly dovetailing their youth summer employment and other youth programs with their green employment initiatives.

Strategy 4: Regional Planning

To continue the emphasis on regional planning and services alignment

The goal of regional planning is to develop regional workforce priorities and strategies that guide policy development and align service delivery to best serve customers.

Implementation

TWC approaches regional planning as a mechanism that allows Boards to develop and implement regionally aligned and streamlined business models and practices that create a customer-focused system. Regional planning among contiguous local workforce development areas (workforce areas) helps attract and retain businesses, and increases the consolidation and integration of the Texas workforce system infrastructure.

Boards in designated regions have been required to collaborate with each other by identifying high-growth, high-demand industries and coordinating assistance to target industry employers with their hiring needs and upgrading the skills of their workers. Boards will continue to be encouraged to collaborate in strategic planning where useful and practical, recognizing that their partners, customers, and impact are an inextricable part of regional economies, whether metropolitan or rural.

Boards are encouraged to cooperate with one another to create a customer-focused and friendly system in which workforce area boundaries are not barriers to service. People live, work, and commute across workforce area boundaries. Thus, for any individual customer—including employers, workers eligible for training, or training providers in close geographical proximity to multiple Boards—a Board must make every attempt to ensure access to and transferability of services as appropriate. TWC will work to streamline Eligible Training Provider application processes to facilitate training provider participation, customer service across workforce area boundaries, and increase the availability of quality training providers to meet the needs of Texas employers and workers.

Strategy 5: Workforce Tools and Products

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

TWC has developed a robust professional and technological capacity to generate workforce intelligence and make it easily accessible to Texas workforce system partners and customers. Although Texas is well situated to provide the workforce and economic information needed to support decision making throughout the system, TWC continues to work diligently to further accelerate product development and marketing.

Implementation

TWC continues to seek input from Texas workforce system stakeholders on desired enhancements to current software products and the development of new workforce and economic development tools. TWC will:

- increase marketing of innovative TWC Labor Market and Career Information (LMCI) tools such as *Texas Industry Profiles*, *SOCRATES*, *TRACER*, *SWAP*, *Texas CARES*, and *SitesOnTexas*;
- promote the use of these tools among Texas workforce system professionals through the development and implementation of training workshops, informal presentations, and technical assistance;
- 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-based and community-based organizations and state agencies working with out-of-school youth. Such tools include *Reality Check*—a Web-based tool that shows youth how much money they will need after high school to match their lifestyle aspirations and the careers that will allow them to earn this amount of money.

TWC has continued to expand and adapt these resources to the needs of Texans in a changing economic climate. Boards have been given training and support on how to use TWC's LMCI tools in their local work with industry planning partners, regional planning, business services to employers, and career planning services for workers.

To establish training priorities, Boards are required to use standardized labor market indicators and labor market analysis tools in their industry and occupational demand analysis and targeting. These documentation requirements support Texas' capacity to demonstrate the data-driven basis for workforce development priorities across the state, while providing Boards with opportunities to identify or validate priorities based on local wisdom.

Strategy 6: Transformation and Innovation

To leverage system transformation and innovation by capitalizing on ARRA funds to enhance service delivery strategies and improve the effectiveness of the Texas workforce system

At a time when the Texas workforce system encounters increasing demand for its services, along with significant supplemental funds to support job creation, job retention, and employment, TWC intends to strategically use opportunities to leverage system transformation and innovation.

Implementation

Consistent with the intent of ARRA, TWC has clarified its expectations that Reemployment Services funds be used to provide more intensive, staff-assisted services to unemployment insurance claimants to develop and pursue an employment plan. In addition, TWC has developed new automation tools to identify individuals most in need who may benefit from an enhanced level of services. TWC has mandated a continuum of service delivery that ranges from self-directed job search for those job seekers with the necessary skills, experience, and abilities to find employment with minimal assistance from the workforce system to staff-managed assistance for those job seekers who possess barriers that will make it difficult to find employment without assistance, including training or retraining.

Outcomes

WIA and ARRA policy and program implementation are core components of the Texas workforce system, developed and delivered through collaboration and coordination with partners across the state. The success of the system will result in the following outcomes:

- Texas Workforce Solutions will become the first place communities, employers, and workers go for workforce solutions.
- High-growth, high-demand, and emerging industry sectors will actively use the Texas workforce system and promote its benefits to other employers.
- Texas workforce system staff will be knowledgeable of economic and workforce conditions and opportunities; employers' current and future skills demands; and workers' skills gaps, development potential, and pathways. This knowledge will be used when assisting customers—employers and job seekers—with their skills needs.
- Texas Workforce Solutions will respond effectively to the changing needs of communities, employers, and workers with strategies and services marked by excellent customer service, partnership, and continuous improvement.
- The skills of the Texas workforce and the workforce capacity of Texas employers will be strengthened.
- The Texas workforce system will leverage its resources for maximum impact on job creation, job retention, business success, employment of Texans at family-supporting wages, and overall economic prosperity.

A Statewide Commitment to Accountability

TWC has a history of commitment and well-developed systems to ensure TWC and the Boards are responsible stewards of state and federal dollars. TWC has moved quickly to allocate millions in ARRA funds in a strategic and fiscally responsible manner, and reinforce and enhance federal policy guidance for the use the funds. TWC is being proactive to ensure both TWC and the Boards have the capacity and tools for internal monitoring and reporting along with ramped-up service delivery. Texas Workforce Solutions will have few challenges meeting federal expectations of transparency and accountability in the use of ARRA funding.